



BOUSFIELDS INC.

Project No. 1701-1

September 16, 2020

Regional Chair Wayne Emmerson and Members of Regional Council
Regional Municipality of York
York Region Administrative Centre
17250 Yonge Street
Newmarket, Ontario L3Y 6Z1

Dear Regional Chair and Members of Regional Council,

**Re: *Planning for Employment and Employment Conversions
7386 and 7482 Highway 7 East, 8600, 8636, 8662 and 8724 Reesor Road
City of Markham (Property M4)***

We are the planning consultants for 2432194 & 2536871 Ontario Inc., Cornell Rouge Development Corporation (Madison Group) and Varlese Brothers with respect to their lands located within the triangle bounded by Highway 7, Reesor Road and Donald Cousens Parkway (the “subject lands”).

On their behalf, we respectfully request that Regional Council **not** adopt the staff recommendation to designate the subject lands as employment in the Regional Official Plan and to instead **approve** the conversion of the lands for non-employment purposes in accordance with, and subject to the details set out, in the attached planning and economic submission that was filed with the City of Markham.

In the **alternative**, in accordance with Markham Council’s decision to defer consideration of the request to add more uses, including residential, to allow it to be considered in the context of the ongoing Cornell Secondary Plan Review, we would request that Regional Council **defer** its decision on the staff recommendation in order to allow the City to proceed with its further review of the proposed mixed-use development at the local level.

By way of background, we have filed submissions with the City of Markham and the Region regarding the ongoing Employment Conversions review. We have participated in numerous meetings dating back to 2017 and have provided both concept plans and renderings to support our client’s vision for the subject lands.

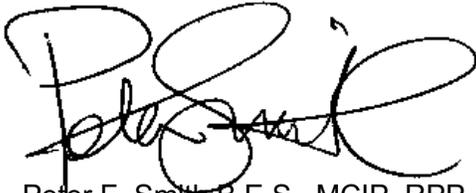
As well, an employment conversion study was prepared and submitted to the City and the Region in support of a mixed-use development on the subject lands. The subject lands represent a strategically located and well defined development parcel and would round out the Cornell community with clear and logical boundaries.

Thank-you for your consideration of these comments. If you require any clarification or additional information, please do not hesitate to contact me.

Please provide us with notice of your decision with respect to the above-noted matter.

Yours truly,

Bousfields Inc.



Peter F. Smith B.E.S., MCIP, RPP

cc: *Paul Freeman, Chief Planner*
Lezlie Phillips, Liberty Development Corporation
Christian Lamanna, Madison Group
Larry Varlese, Varlese Brothers



BOUSFIELDS INC.

SUBMITTED ELECTRONICALLY

Project No. 1701-1

March 29, 2019

Paul Freeman
Chief Planner
York Region
17250 Yonge Street
Newmarket, ON L3Y 6Z1

Dear Mr. Freeman:

Re: Request for Employment Land Conversion – 7386-7484 Highway 7 East and 8600-8724 Reesor Road, City of Markham

We are the planning consultants to Cornell Rouge Development Corporation, Varlese Brothers Limited, 2432194 Ontario Inc., and 2536871 Ontario Inc., the owners of the property municipally known as 7386-7484 Highway 7 East and 8600-8724 Reesor Road (the “subject site”).

The subject site is approximately 17.9 hectares in size and is comprised of five individually addressed parcels, which are currently either vacant or occupied by a single detached dwelling, a contractor’s yard or a commercial greenhouse. Further to our previous submission dated June 21, 2018 and as part of the ongoing Regional Municipal Comprehensive Review, we are formally requesting consideration for Employment Land Conversion that would redesignate the site to permit non-employment uses as part of a mixed-use community. Currently the subject site is designated solely for employment uses.

The proposed concept plan provides for the development of a mixed-use community on the site that achieves a balance of non-residential and residential uses. It is our opinion that the proposal to redesignate the subject site is consistent with the Provincial Policy Statement (2014), conforms with the Growth Plan for the Greater Golden Horseshoe (2017), conforms with the Region of York Official Plan (2010) and represents good planning.

In support of this request, please find enclosed the following materials:

- One (1) digital copy of the Employment Land Conversion Planning Rationale, prepared by Bousfields (dated March 29, 2019)
- One (1) digital copy of the Rouge Park Gateway Employment Land Conversion Study, prepared by urbanMetrics Inc. (dated March 29, 2019)

Please do not hesitate to contact me or Jonathan Henderson of our office if you have any questions or concerns regarding the foregoing.

Yours very truly,

Bousfields Inc.



Peter Smith MCIP, RPP

cc. Cornell Rouge Development Corporation
Varlese Brothers Limited
2432194 Ontario Inc.
2536871 Ontario Inc.

EMPLOYMENT LAND
CONVERSION
PLANNING RATIONALE

7386-7482 HIGHWAY 7 EAST AND
8600-8724 REESOR ROAD
CITY OF MARKHAM

PREPARED FOR:
CORNELL ROUGE DEVELOPMENT CORP,
VARLESE BROTHERS LIMITED,
2432194 ONTARIO INC. AND
2536871 ONTARIO INC.

March
2019

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[1 . 0]

I N T R O D U C T I O N

Bousfields Inc. is pleased to present this planning rationale report in support of a proposed employment land conversion for the lands municipally known as 7386-7482 Highway 7 East and 8600-8724 Reesor Road (the "subject site"), to permit non-employment uses as part of a mixed-use community on lands currently designated for employment uses.

The proposal envisages the development of a mixed-use community on the subject site with employment, commercial, and residential uses. A concept plan has been prepared in support of this proposal which includes 48,760 square metres of commercial/office/retail gross floor area, 18,000 square metres of hotel gross floor area, 339 residential townhouse units and 940 residential apartment units. Based on estimates prepared by urbanMetrics, the proposal will generate 2,072 jobs and 3,373 residents.

The introduction of non-employment uses as part of a mixed-use community is considered an employment land conversion and therefore this report was prepared for consideration by the Region of York and the City of Markham as part of the Regional *municipal comprehensive review*.

A related Employment Land Conversion Study was prepared by urbanMetrics Inc. in conjunction with this proposal and has informed our analysis.

The proposed concept plan furthers the intent expressed in a April 24, 2017 staff report adopted by the City of Markham Development Services Committee report, which discussed the unique opportunity to create a Cornell/Rouge National Urban Park Gateway. The staff report gave consideration to the provision of a range of experiences within the gateway, support for a range of uses that would be compatible with the park, use of high quality design standards, and distinct public realm elements. Additionally, the Gateway Design Charrette detailed by the report specifically recommended that a range of uses should be permitted in the employment lands. We support the recommendations of the April 24, 2017 report and the direction of the City of Markham to seize the opportunity to create a unique gateway. We are of the opinion that the gateway vision, as outlined in the report, cannot be achieved through employment uses alone and that the mixed-use proposal will help to achieve that vision.

This report provides a summary of the planning policy framework and land use planning analysis in support of the conversion, including analysis of the criteria set out in the Growth Plan and proposed York Region conversion criteria. The report concludes that the proposed conversion is consistent with the Provincial Policy Statement (2014), conforms with the Growth Plan for the Greater Golden Horseshoe (2017), conforms with the Region of York Official Plan (2010) and represents good planning.

[2.0]

SITE & SURROUNDINGS

2.1 Site Description

The subject site is located in the City of Markham on the north side of Highway 7 East (Avenue 7) and comprises the entire block between Donald Cousens Parkway and Reesor Road. The subject site is triangular in shape, with an area of approximately 17.9 hectares and frontages of approximately 255 metres along Avenue 7, approximately 800 metres along Reesor Road and approximately 830 metres along Donald Cousens

Parkway. The subject site features relatively flat topography with an existing stormwater channel traversing the western extent of the lands. A portion of the subject site is within the Toronto and Region Conservation Authority (TRCA) Regulated Area.

The subject site is comprised of five individually addressed parcels, which are currently either vacant or occupied by a single detached dwelling, a contractor's yard or a commercial greenhouse. See **Figure 1 – Aerial Photo**.



Figure 1 - Aerial Photo

2.2 Surrounding Context

Given the location of the subject site on the eastern edge of the built boundary of City of Markham and adjacent to the Greenbelt Plan Area, the surrounding context is varied.

Immediately north and west of the subject site, west of Donald Cousens Parkway and north of Avenue 7, is a low-rise residential neighbourhood comprised of single detached, semi-detached and townhouse dwellings, as well as low-rise apartment buildings. Site grading and development is ongoing in accordance with the Cornell Secondary Plan, where higher density mixed uses are to be developed along the north side of Avenue 7 and the west side of Donald Cousens Parkway.

Immediately south of the subject site, south of Avenue 7, are three single detached dwellings (7265, 7323 and 7469 Highway 7 East), vacant agricultural land and a stormwater management pond. With the exception of the dwellings, barns, sheds and pond, most of the area immediately south the subject site is currently actively farmed.

Immediately east of the subject site, east of Reesor Road, is largely vacant agricultural land, the Little Rouge Creek Valley and a single detached dwelling (8849 Reesor Road). Reesor Road represents the boundary of the Rouge National Urban Park and the lands to the east of Reesor Road are within the Greenbelt Natural Heritage System.

[3 . 0] P R O P O S A L

3.1 Proposed Concept Plan

This report has been prepared in support of a request to the Region of York for an employment land conversion as a part of the Region's analysis for the ongoing municipal comprehensive review.

To support the conversion request, Schollen & Company Inc. has prepared a concept plan to demonstrate how a mixed-use development on the subject site could be accommodated, while addressing the objectives and policies of the Provincial Policy Statement, the Growth Plan and the Regional Official Plan. It is important to note that the proposed concept provides a demonstration of an approach to developing the site with a mix of non-residential and residential uses and would be further refined through future planning processes, following the approval of the conversion.

The concept plan, as shown in **Figure 2**, provides for the development of a mixed-use community that achieves a balance of non-residential and residential uses. The densities and uses in the concept plan take into account the density targets associated with the site's current employment designations in the Cornell Secondary Plan, the planning policy framework and the site's location as a gateway in both the Cornell Centre and the Rouge National Urban Park.

From a land use perspective, the concept integrates commercial/office uses with a hotel and mixed residential uses, located along the Avenue 7 corridor to create a mixed-use commercial mainstreet corridor at the southerly extent of the subject site. Generally in accordance with the Cornell Secondary Plan, the remainder of the site is proposed to be bisected by a north-south spine road (Road A) extending from Avenue 7 to Reesor Road, an east-west spine road (Road B) extending from Donald Cousens Parkway to Reesor Road, and a northerly east-west spine road (Road C) extending from Donald Cousens Parkway (opposite Riverlands Avenue) to Reesor Road.

The east and west sides of Road A, south of Road B, are proposed to be framed by mixed uses, with surface parking internal to the development block and residential townhouses and apartments fronting proposed local roads extending east and west from Road A. Between Road B and Road C, the proposal features limited mixed uses and commercial office uses and will predominantly be composed of residential townhouse and apartment uses, including a greater concentration of parkettes and public spaces. North of Road C, the proposed development is exclusively residential townhouses and apartments and features three larger parkettes. The existing stormwater channel at the western extent of the subject site will be improved as passive open space and form a green buffer between the subject site and Donald Cousens Parkway.



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**Cornell Rouge Development Corporation and
 2432194 Ontario Inc. & 2536871 Ontario Inc.**

ROUGE PARK GATEWAY
 1:1500



Master Plan
 Dec. 05, 2018

Figure 2 - Concept Plan

KEY STATISTICS

Site Area	16.4 ha
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Uses	Gross Floor Area (sq. m.)	Units
Residential Townhouse		339
Residential Apartment		940
Commercial/Office/Retail	48,760	
Hotel	18,000	
Non-Residential Total	66,760	
Residential Total		1,279

3.2 Required Amendments

An Official Plan Amendment will be required to the City of Markham Official Plan, including amendments to the Cornell Secondary Plan, for the entire site to convert the land use from employment to accommodate the proposed mix of uses.

As required by the policies of the Growth Plan, the Region of York Official Plan and the City of Markham Official Plan, the conversion of employment to non-employment uses may only be considered at the time of a *municipal comprehensive review*. In accordance with the policies of the Growth Plan, the municipal comprehensive review will be completed by the upper-tier municipality, the Region, and implemented through a subsequent Regional Official Plan Amendment. Employment land conversions must satisfy the criteria set out in Policy 2.2.5.9 of the Growth Plan.

3.3 Future Applications

Following the approval of a Regional Official Plan Amendment, a subsequent amendment to the City's Official Plan would be required to redesignate the lands from employment to appropriate mixed-use designation(s). In addition, Zoning By-law Amendment, Plan of Subdivision and Site Plan Approval applications would be required to facilitate the proposed development.

[4 . 0]

P O L I C Y & R E G U L A T O R Y C O N T E X T

4.1 Provincial Policy Statement (2014)

The current Provincial Policy Statement (PPS) came into effect as of April 30, 2014 and provides policy direction on matters of provincial interest related to land use planning and development. In accordance with Section 3(5) of the Planning Act, all land use planning decisions are required to be consistent with the PPS. In this regard, Policy 4.4 provides that the PPS “shall be read in its entirety and all relevant policies are to be applied to each situation”.

One of the key policy directions expressed in the PPS is to build strong communities by promoting efficient development and land use patterns. To that end, the PPS contains a number of policies that promote intensification, redevelopment and compact built form, particularly in areas well-served by public transit. The PPS seeks to provide a range and mix of housing, accommodating the needs of current and future populations.

In particular, Policy 1.3.1 of the PPS promotes providing an appropriate mix and range of employment uses, and the integration of well-suited employment uses to promote liveable and resilient communities. Policy 1.3.2.1 requires that planning authorities plan for, protect and preserve employment areas for current and future uses. However, Policy 1.3.2.1, provides that planning authorities may permit the conversion of employment lands to non-employment uses through a comprehensive review, where it is demonstrated the lands are not required for employment purposes over the long term and that there is a need for the conversion.

A “comprehensive review” is defined as an official plan review which is initiated by a planning authority, or an official plan amendment which is initiated or adopted by a planning authority, which:

- is based on a review of population and employment projections and which reflect projections and allocations by upper-tier municipalities and provincial plans, where applicable; considers alternative directions for growth or development; and determines how best to accommodate the development while protecting provincial interests;
- utilizes opportunities to accommodate projected growth or development through intensification and redevelopment; and considers physical constraints to accommodating the proposed development within existing settlement area boundaries;
- is integrated with planning for infrastructure and public service facilities, and considers financial viability over the life cycle of these assets, which may be demonstrated through asset management planning;
- confirms sufficient water quality, quantity and assimilative capacity of receiving water are available to accommodate the proposed development;
- confirms that sewage and water services can be provided; and
- considers cross-jurisdictional issues.

Policy 1.4.1 states that an appropriate range of housing shall be provided to meet projected requirements of current and future residents of the regional market area. Policy 1.4.1 further states that planning authorities must maintain the ability to accommodate residential growth for a minimum of 10 years, including intensification and redevelopment, and have at least a 3-year supply of serviced lands for residential growth.

With respect to energy conservation, air quality and climate change, Policy 1.8.1 requires that planning authorities support energy conservation and efficiency, improved air quality, reduced greenhouse gas emissions and climate change adaptation through land use and development patterns which promote compact form, active transportation and a mix of residential and employment areas and options for housing to shorten commute journeys and decrease transportation congestion.

For the reasons set out in Section 6.0 of this report, it is our opinion that the proposal is consistent with the Provincial Policy Statement and, in particular the policies relating to employment land conversions as well as the efficient use of land and infrastructure.

4.2 Growth Plan for the Greater Golden Horseshoe (2017)

The Growth Plan for the Greater Golden Horseshoe, 2017 came into effect on July 1, 2017, replacing the 2006 Growth Plan. The Growth Plan provides a framework for implementing the Province's vision for managing growth across the region to the year 2041 and supports the goal of achieving complete communities.

Schedule 3 of the Growth Plan forecasts a population of 1,590,000 and 790,000 jobs for the Region of York for 2031, increasing to 1,790,000 persons and 900,000 jobs by 2041. Census data indicates that the population of the Region of York in 2016 was 1,109,909.

Similar to the PPS, the Growth Plan supports mixed-use intensification within built-up urban areas, particularly in proximity to transit. The Plan, as explained in Section 2.1 has, as a central goal, accommodating forecasted growth in "complete communities", designed to "meet people's needs for daily living throughout an entire lifetime by providing convenient access to an appropriate mix of jobs, local services, public service facilities and a full range of housing to accommodate a range of incomes and household sizes".

Section 2.1 of the Plan sets out the context for "where and how to grow", including:

"Building more compact greenfield communities reduces the rate at which land is consumed. Communities need to grow at transit-supportive densities, with walkable street configurations. Compact built form and intensification efforts go together with more effective transit and active transportation networks and are fundamental to where and how we grow. They are necessary to ensure the viability of transit; connect people to homes, jobs and other aspects of daily living for people of all ages; and meet climate change mitigation and adaptation objectives. Moreover, an increased modal share for active transportation and transit, including convenient, multimodal options for intra- and inter-municipal travel, supports reduced air pollution and improved public health outcomes."

Policy 2.2.5.1 of the Growth Plan states that aligning land use planning and economic development goals is critical to promote, attract and retain investment and employment. In addition, Policy 2.2.5.7 requires municipalities to create mixed-use, vibrant areas and innovation hubs by integrating employment areas with adjacent non-employment areas.

Policy 2.2.5.9 provides that lands within employment areas may be converted to non-employment uses through a *municipal comprehensive review*, subject to the following criteria:

- a. there is a need for the conversion;
- b. the lands are not required over the horizon of this Plan for the employment purposes for which they are designated;
- c. the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan;
- d. the proposed uses would not adversely affect the overall viability of the employment area or prime employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan; and
- e. there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.

The Plan states that lands already designated for development will accommodate the forecasted growth and must be optimized in order to avoid "overdesignating land for future urban development". This includes intensification within built-up areas and optimizing greenfield development.

Policy 2.2.6.1 of the Growth Plan requires municipalities to plan to achieve minimum intensification and density targets and provide a range of housing options in order to accommodate the forecasted growth. Policy 2.2.6.3 states that municipalities must plan for a mix of unit sizes in order to achieve complete communities.

The subject site is considered a *designated greenfield area*. This is defined within the Growth Plan as:

"Lands within settlement areas but outside of delineated built-up areas that have been designated in an official plan for development and are required to accommodate forecasted growth to the horizon of this Plan. Designated greenfield areas do not include excess lands."

Policy 2.2.7.1 of the Growth Plan provides that new development in designated greenfield areas will be designed in a manner that supports complete communities, supports active transportation and encourages the use of transit services. Policy 2.2.7.2 provides a minimum density target rate of 80 residents and jobs per hectare for designated greenfield areas. Despite the foregoing, Policy 2.2.7.4 states that minimum density targets that were approved prior to July 1, 2017 will continue to apply and must be updated at the next municipal comprehensive review to at least 60 residents and jobs per hectare.

The timely implementation of the Growth Plan policies is seen as a key consideration in the Implementation Section (Section 5). In this respect, Section 5.1 provides that upper- and single-tier municipalities must update their planning policy documents through municipal comprehensive reviews to conform with the Growth Plan.

Section 5.2.1 assists in determining how the Growth Plan should be interpreted by providing that the Growth Plan sets out an integrated policy framework (Policy 5.2.1.1) and that a municipal comprehensive review undertaken in accordance with the Growth Plan will be deemed to fulfill the municipal comprehensive review requirements of the PPS (Policy 5.2.1.2).

Policy 5.2.5.1 states that the targets set out in the Growth Plan are minimum intensification and density targets and encourages municipalities to go beyond these minimum targets, where appropriate, except where doing so would conflict with any policy of this Plan, the PPS or any other provincial plan.

For the reasons set out in Section 6 of this report, it is our opinion that the proposal not only conforms with the Growth Plan but specifically implements its policies promoting growth, the criteria for employment land conversions, and development of *designated greenfield areas*.

4.4 Region of York Official Plan (2010)

The York Region Official Plan ("YROP") was adopted by Regional Council on December 16, 2009 and was approved with modifications by the Ministry of Municipal Affairs and Housing on September 7, 2010. It was subsequently appealed to the Ontario Municipal Board (OMB). The YROP has been partially approved by the OMB, with the exception of some Region-wide and area/site specific appeals, which do not apply to the subject site. The partially approved YROP therefore applies and the applicable policies are summarized below.

Population and employment forecasts project that the Region will grow to 1,500,000 people and 780,000 jobs by the year 2031, while Markham is projected to grow to 421,600 people and 240,400 jobs by the year 2031.

Section 4.3 of the YROP directs that existing strong employment sectors should be maintained within the Region of York. Policy 4.3.2 states that a sufficient supply of employment land will be maintained to accommodate the projected employment growth.

While Policy 4.3.8 states that the conversion of employment lands to non-employment land uses is not permitted, Policy 4.3.9 states that an employment lands conversion may be considered at the time of a municipal comprehensive review in accordance with applicable policies and population/employment forecasts. Policy 4.3.10 requires employment land conversion policies of lower tier municipalities to be consistent with the land conversion policies of the Province and the Region.

With respect to growth management, Policy 5.3.1 states that 40% of the Region's residential development will occur in the delineated built-up area, while Policy 5.2.14 provides that designated greenfield areas will achieve an average minimum density of 50 residents and jobs per hectare. Policy 3.5.3 provides that a 10-year supply of land designated for housing will be maintained through intensification of built-up areas and development of designated greenfield areas.

In addition to the policies identified above, York Region recently released 14 Proposed Employment Area Conversion Criteria, which include 5 Growth Plan criteria as well as 9 Regional criteria, as follows:

- a. The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3 and Highway 400 North (ROPA 52).
- b. The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for employment uses and is not viable to continue as an employment area.
- c. Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.
- d. The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:
 - a. Hindering the operation or expansion of existing or future businesses
 - b. Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term

- c. Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities
- d. Providing appropriate buffering of employment uses from non-employment uses.
- e. The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.
- f. The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.
- g. The proposed site is not adjacent to 400-series highways or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors.
- h. The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.
- i. Cross-jurisdictional issues have been addressed.

For the reasons set out in Section 6.0 of this report, it is our opinion that the proposal conforms with the York Region Official Plan, particularly with respect to policies regarding employment land conversions and growth in *designated greenfield areas*. The proposal also satisfies the criteria for Employment Area Conversions.

4.4.1 MUNICIPAL COMPREHENSIVE REVIEW PROCESS

The Region of York has initiated a *Municipal Comprehensive Review* in order to review and update its Official Plan to ensure its policies are in conformity with updated Provincial Plans. The Region is required to update its plans to align with provincial policy and population and employment forecasts to 2041. The Municipal Comprehensive Review (MCR) involves a land needs assessment to inform the progress of the Region in relation to population and employment forecasts.

4.5 City of Markham Official Plan (2014)

The City of Markham Official Plan was adopted on December 10, 2013 and approved by the Region of York on June 12, 2014. The plan was subsequently appealed and was partially approved by the Ontario Municipal Board (now the Local Planning Appeal Tribunal) on October 30, 2015 and on subsequent dates.

Section 2.3, Markham Structure, of the Official Plan states that the population of Markham is forecast to grow from 337,800 in 2016 to 421,600 by 2031. Employment is forecast to grow from 200,300 in 2016 to 240,400 by 2031.

Policy 8.5.1.4 of the Official Plan states that a conversion of employment lands to non-employment lands may only be considered through a *municipal comprehensive review*, subject to the following criteria set out in Policy 5.1.2.5. These criteria are similar to the criteria within the Growth Plan and those proposed by York Region i.e.

a. there is a need for the conversion;

- b. there are sufficient lands within "Employment Lands" designations to accommodate the type of employment assumed in the employment forecast allocated to Markham by York Region that rely on those designations;
- c. the conversion will not adversely affect the overall viability of the 'Employment Lands' and achievement of intensification and density targets, and any other policies of the York Regional Official Plan, the Markham Official Plan and the Province;
- d. there is existing or planned infrastructure to accommodate the proposed conversion; and
- e. the lands are not required over the long term for the employment purposes for which they are intended; and
- f. cross-jurisdictional issues have been considered.

The City-wide land use map, Map 3 (refer to **Figure 3**), designates the subject site *Business Park Employment, Service Employment, and Greenway*. Map 3 also identifies the subject site as part of the Cornell district and more specifically part of the Cornell Secondary Plan.

Given that the above criteria are substantially the same as the criteria set out in the Growth Plan and those proposed by York Region, the Markham Official Plan conversion criteria will not be evaluated in Section 6.0 of this report.

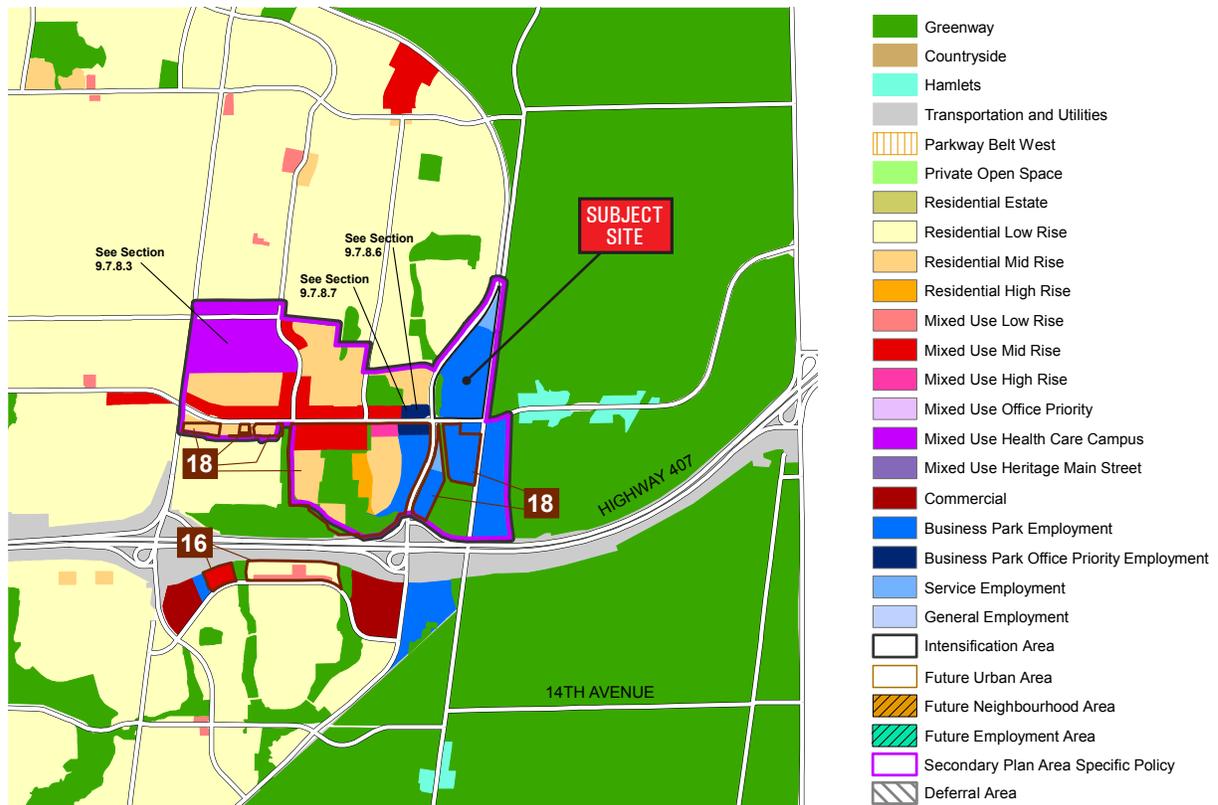


Figure 3 - City of Markham Official Plan - Map 3

4.6 Cornell Centre Secondary Plan

While not yet fully in force and effect, the City of Markham has prepared a draft Official Plan Amendment to introduce a new set of policies for the Cornell Centre Secondary Plan area. Once approved, the Cornell Centre Secondary Plan will form part of Part II of the City of Markham Official Plan.

The draft Secondary Plan seeks to develop Cornell Centre as a compact, mixed-use walkable, transit-supportive urban node incorporating a balance of live/work opportunities and shall be comprised of the structural elements of residential neighbourhoods, commercial core, employment nodes and inter-connected greenspace corridors.

The secondary plan designates the subject site as *Business Park Area, Business Park Area – Automotive Service Centre and Environmental Protection Area*, which permits a variety of employment uses including office, prestige industrial and automotive uses.

With respect to Employment Land Conversions, Policy 6.4.1 of the Secondary Plan directs that such a request shall only be dealt with in the context of a comprehensive growth management or Official Plan Review process. Therefore, an employment land conversion must be consistent with the criteria set out in the Official Plan.

4.7 Markham Zoning By-law 177-96

The comprehensive Zoning By-law 177-96 was adopted by Council on June 20, 1996 and has been subject to various amendments. The Zoning By-law does not address matters of employment land use conversion as a matter of policy.

[5 . 0]

S U M M A R Y O F E M P L O Y M E N T L A N D C O N V E R S I O N S T U D Y

A report was prepared by urbanMetrics in support of the employment lands conversion for the subject site and proposed concept plan. In its report, urbanMetrics concludes that the employment lands conversion has the potential to accommodate approximately 2,072 jobs, the majority of which would be commercial/office/retail jobs. This exceeds the potential job creation of the current as-of-right employment land uses of approximately 1,924 jobs, if the lands were developed for a mix of commercial/office/retail and hotel jobs, and would substantially exceed the 905 jobs that would be created if the lands were developed for industrial purposes.

In addition, urbanMetrics concludes that the employment land conversion has the potential to accommodate approximately 3,373 residents, which would be entirely incremental given the existing residential use prohibition. Overall, the proposed concept plan would result in a net density of 309 persons and jobs per hectare compared with a maximum density of 109 jobs per hectare based on the current as-of-right land use designations.

The report finds that the location of the subject site is appropriate to accommodate a mixed-use development given its gateway location between the Cornell Planning District and the Rouge National Urban Park, the proximity to a Regional Corridor (Avenue 7) and mix of surrounding and nearby land uses.

Further, urbanMetrics concludes that the proposal would support the economic development strategies and employment needs of the Region and the City, specifically with the significant shift away from lower density employment uses such as manufacturing and warehousing toward higher-density office, retail and service-based employment. Based on Markham's Economic Strategy and the York Region Employment Survey, the vast majority of businesses in Markham employ between 1 and 19 employees and are targeting growth in the professional, scientific and technical service industries, which is consistent with the availability of small business office space in the proposed concept plan. The report also finds that the proposed concept plan could generate greater initial financial benefit through development and application charges in addition to greater ongoing financial benefit through annual property tax revenue.

Based on the forgoing, urbanMetrics concludes that the employment lands conversion meets provincial, regional, and municipal planning policy and responds to regional and local employment trends and residential and employment projections.

[6 . 0]

A N A L Y S I S

The following outlines our planning opinion regarding for the proposed employment area conversion meets the intent and purpose of the applicable policies with respect to employment land conversions within the planning policy framework.

The proposed concept plan will maintain an employment function on the subject site and will add complementary retail, commercial, hotel and residential uses that would be compatible with the employment uses and the surrounding context. The proposed concept plan will provide for the development of a greenfield site with a mix of uses at a significant gateway to both the Cornell Centre and the Rouge National Urban Park.

Analysis with respect to the intent and purpose of employment land conversion policies set out in the PPS, Growth Plan, Region of York Official Plan and City of Markham Official Plan is outlined below. Specifically, this section will address how the proposal meets the employment conversion criteria within the Growth Plan and the proposed York Region Employment Area Conversion Criteria.

This analysis also integrates the conclusions from the urbanMetrics report regarding the Employment Land Conversion Study, which was prepared under separate cover and which were summarized in the preceding section.

6.1 Analysis of Growth Plan Conversion Criteria

Consistent with the policies of the Growth Plan, our analysis is structured to respond to the criteria to be applied when a conversion from employment to non-employment uses is considered as part of the municipal comprehensive review. Specifically, Policy 2.2.5.9 of the Growth Plan states that the conversion of employment areas to non-employment uses may only be permitted through a *municipal comprehensive review* subject to the following criteria.

a. *there is a need for the conversion:*

As discussed, the proposal is to redesignate the lands from exclusively employment to a mix or employment and non-employment uses, including residential uses. It is our opinion that there is a need for the conversion, further supported by the urbanMetrics analysis. The conversion will contribute to the Region and City's population and employment forecasts and achieve a net density of 309 residents and jobs per hectare, as compared to the existing as-of-right density of up to 109 jobs per hectare.

urbanMetrics concludes that York Region and the City of Markham have experienced a significant shift away from traditional, lower density employment such as manufacturing and warehousing in favour of higher-density office, retail and service-based employment. Further, urbanMetrics references the Region's Employment Trends Review and notes the trend towards amenity-driven employment parks with opportunities to integrate residential, retail, commercial and light or non-traditional industrial uses that can be accommodated in office-type developments. Finally, they conclude that the subject site represents a surplus of employment lands given the large

supply of vacant employment lands to the south and west of the subject site. Given the foregoing, it is unlikely that the lands will be developed as exclusively employment uses in the medium term without the incentive of a variety of mixed-use designations, including residential.

b. the lands are not required over the horizon of this Plan for the employment purposes for which they are designated:

Given the increasing demand for mixed-use office developments versus the stand-alone low density employment uses, as discussed in the urbanMetrics report, the lands are not required over the horizon of the Growth Plan for the employment purposes for which they are designated i.e. *Business Park Area* and *Business Park Area – Automotive Service Centre*. The trend of decreasing demand for employment lands is further supported by the *York Region 2017 Vacant Employment Land Inventory* report, which indicates that there has been a consistent trend of decreasing absorption rates, including over the past 5 years. The report notes that slower absorption rates of employment lands in the Region's employment areas can be partially attributed to a shift from a manufacturing economy to a service- and knowledge-based economy.

Additionally, the proposed concept plan will accommodate a similar, and somewhat larger, number of jobs than are projected under the current as-of-right designations. Therefore, the proposed shift from low-density employment uses to medium- and high-density employment uses optimizes the use of the subject site, while allowing the compatible introduction of non-employment uses.

c. the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan:

As discussed in more detail in the urbanMetrics report, the proposed concept could accommodate approximately 2,072 jobs. This is somewhat greater than the as-of-right employment density of the existing designations (a maximum of 1,924 jobs); therefore, the Region of York and City of Markham will maintain sufficient employment lands to accommodate forecasted employment growth to the 2041 Growth Plan horizon.

d. the proposed uses would not adversely affect the overall viability of the employment area or prime employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan:

The proposed uses integrate residential uses with office uses, commercial uses and a hotel, as well as public amenities. As discussed in item a) above, the Region and the City have experienced a significant shift away from traditional, lower density employment such as manufacturing and warehousing in favour of higher-density office, retail and service-based employment. As such, the proposed conversion will not adversely affect the overall viability of the employment area, specifically the designated employment lands south of Avenue 7. In fact, given the reduced demand for traditional employment lands, the development of a mixed-use residential/employment community in the subject site would contribute positively to the viability of the area through the introduction of non-employment uses to support the employment uses, rather than the lands remaining vacant.

As noted, the proposed concept could accommodate approximately 2,072 jobs. As indicated in the urbanMetrics report, the estimated number of jobs associated with the currently permitted employment uses would be a maximum of 1,924 jobs. The proposed concept plan would provide for a gross density of approximately 309 residents and jobs per hectare compared to a density of up to approximately 109 jobs per hectare for the as-of-right employment uses. As such, the proposal exceeds the density as-of-right density and would contribute to the City and Region's density targets.

e. there are existing or planned infrastructure and public service facilities to accommodate the proposed uses:

- There are existing or planned infrastructure and public service facilities to accommodate the proposed uses. The subject site is currently accessed by Avenue 7 and Reesor Road and has additional planned connections from Donald Cousens Parkway. Additionally, the subject site is planned to be connected to the existing municipal servicing network which includes sanitary, stormwater and water connections.

- Sanitary sewers on the subject site will drain to an existing 200mm sanitary sewer on the west side of Donald Cousens Parkway or the planned sanitary sewers on the south side of Avenue 7. These existing and planned sanitary connections will ultimately drain to the existing Ninth Line Sanitary Trunk Sewer.
- Existing storm drainage for the subject site has been designed to drain towards the existing stormwater channel on the east side of Donald Cousens Parkway and ultimately to the stormwater management pond to the south of Avenue 7. All required stormwater infrastructure is existing and designed to accommodate flows from the subject site.
- Planned water service may include a future 300mm watermain along Reesor Road or connections to the existing watermain along the west side of Donald Cousens Parkway.

Additionally, the subject site is adjacent to the planned Regional Rapid Transit Corridor along Avenue 7 and within approximately one kilometre from the proposed GO rail station to be located east along Avenue 7. Finally, the proposed concept plan includes significant open space, parkettes, public spaces, and is in close proximity to institutional infrastructure planned as part of the larger Cornell Centre area.

6.2 Analysis of York Region's Proposed Conversion Criteria

In addition to the Growth Plan criteria analyzed above, the following section demonstrates that the proposed mixed-use community would satisfy the Proposed Employment Area Conversion Criteria developed by York Region:

- a. *The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52):*

The subject site is not located within any of the employment areas identified by the above criterion.

- b. *The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for*

employment uses and is not viable to continue as an employment area:

The subject site comprises the entire triangular-shaped block, with existing and planned residential and mixed uses to the east and open space (park) uses to the east. Accordingly, the subject site is not surrounded by employment designations. The closest employment designation to the subject site is on the south side of Avenue 7.

- c. *Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics:*

As discussed above, and in greater detail in the urbanMetrics study, the Region and the City have experienced a significant shift away from traditional, lower density employment such as manufacturing and warehousing in favour of higher-density office, retail and service-based employment. Additionally, urbanMetrics has identified the subject site as having little marketability for land extensive uses requiring large sites. The triangular shape of the subject site, its proximity to residential uses and its separation from the larger employment area to the south of Avenue 7 make it generally unsuitable land-extensive uses. Furthermore, land-extensive employment generally uses would typically generate considerably fewer jobs than commercial/office/retail uses.

- d. *The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:*

- i. *Hindering the operation or expansion of existing or future businesses:*

Given that the subject site comprises the entire triangular-shaped block, it is not anticipated that the redesignation would impact the expansion or establishment of employment uses on nearby employment designations (i.e. south of Avenue 7). While the limited existing employment uses (greenhouses and contractors' yard) on the subject site will be impacted by the proposed conversion and future development application process, it is our opinion that the existing uses represent a

significant underutilization of the subject site.

- ii. Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term:

The existing employment designations south of Avenue 7, in greatest proximity to the subject site, do not form part of this conversion request and will not be impacted as a result of the potential employment land conversion.

- iii. Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities:

As the proposed concept plan includes office and hotel uses, which are consistent with uses permitted on the subject site under the existing *Business Park Employment* designation, it is likely that similarly consistent uses will be located within the employment designation to the south of Avenue 7. The variety of employment opportunities proposed on the subject site as part of the mixed-use community would broaden the range of employment opportunities. There is no existing cluster of business and economic activities in the surrounding area.

- iv. Providing appropriate buffering of employment uses from non-employment uses:

As discussed above, buffering between the subject site and surrounding lands is provided by the surrounding road network of Avenue 7, Donald Cousens Parkway and Reesor Road. Buffering between the mix of uses within the proposed concept plan is achieved through the application of landscaped open space and appropriate setbacks.

- v. The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts:

As discussed above, the buffer provided by Avenue 7 between the subject site and the employment areas to the south is sufficient to create ample separation between uses. Furthermore, the land

uses proposed in the concept plan are generally in keeping with the existing and planned land uses of those lands to the west and north, thereby significantly limiting the potential for conflict. Finally, the lands to the east are within the Rouge Park/Greenbelt Plan area; the proposed mixed-use community is likely to result in greater compatibility with the Rouge Park than would be the case with space-extensive employment uses, if they were to be developed on the subject site.

- vi. The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions:

As discussed above, urbanMetrics has identified the subject site as having little marketability for land-extensive uses requiring large sites such as industrial or warehousing uses. Furthermore, future access between Avenue 7, Donald Cousens Parkway and the subject site has the potential to significantly increase truck traffic, creating conflicts between large-scale employment uses requiring access to Highway 407 located approximately one kilometre to the south of the subject site and the surrounding sensitive uses.

- vii. The proposed site is not adjacent to 400-series highways or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors:

The subject site is not adjacent to a 400-series highway, planned highways and interchanges, intermodal facilities, airports or rail corridor access. While the subject site is located adjacent to Avenue 7, it is identified by the York Region Official Plan as a Regional Rapid Transit Corridor and is therefore not appropriate to accommodate large volume truck traffic in the long term. Additionally, as detailed by urbanMetrics, the approximately one-kilometre distance between the subject site and the Highway 407/Donald Cousens Parkway interchange is not a mitigating factor for employment land conversion as logistics and transportation companies generally do not use Highway 407 due to the cost of tolls.

viii. The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality:

Policy 4.3.2 of the York Region Official Plan provides that a sufficient supply of employment lands will be maintained to accommodate employment growth forecasts. As discussed in the urbanMetrics report, the demand for lower density industrial type employment lands is decreasing, while the demand for mixed-use higher density employment areas, supporting office and a mix of uses, is increasing. The proposed conversion supports the strategic and vital role that employment plays in the Region's economy in that it provides for a form of employment with associated uses that is in demand.

While Policy 4.3.8 of the York Region Official Plan provides that the conversion of employment lands to non-employment land uses is not permitted, Policy 4.3.9 permits conversions at the time of a *municipal comprehensive review* in accordance with the policies and population forecasts of the Region. As discussed above, the proposal supports the policies of the Region's Official Plan.

The proposal will support the achievement of the goals, objectives and policies of the Markham Official Plan, including:

- building complete communities, by providing for an appropriate mix and density of land uses within walking distance of transit, with multi-storey buildings integrating retail and service activities, and community facilities to support the needs of residents, businesses and workers;
 - increasing mobility options, by supporting patterns of growth and land use that will ultimately require less travel for everyday activities and which encourage travel by transit, cycling and walking; and
 - maintaining a vibrant and competitive economy, by accommodating a balanced and diverse range of employment opportunities on existing and future employment lands with access to high quality transit and efficient road systems.
- ix. Cross-jurisdictional issues have been addressed.

The subject site is not close to any other municipal or regional jurisdiction and therefore conflicts are not anticipated.

[7 . 0]

C O N C L U S I O N

For the reasons discussed in this report, we are of the opinion that the proposal for a mixed-use community on the block framed by Avenue 7, Donald Cousens Parkway and Reesor Road, including a mix of employment uses and non-employment uses is consistent with the Provincial Policy Statement (2014), conforms with the Growth Plan (2017), conforms with the York Region Official Plan, meets the intent and purpose of City of Markham Official Plan and represents good planning.

Specifically, this report concludes that the proposal satisfies the employment land conversion criteria of the Growth Plan and York Region's Proposed Employment Area Conversion Criteria.

Furthermore, this report concludes that the proposed employment area conversion meets the intent and purpose of the policies with respect to employment land conversions and development in a *designated greenfield area* within the planning policy framework.



BOUSFIELDS INC.



ROUGE PARK GATEWAY

Employment Land Conversion Study

Markham, Ontario

Prepared for **Cornell Rouge Development Corporation, 2432194 & 2536871 Ontario Inc. and Varlese Brothers Limited**

March 29, 2019



This document is available in alternative formats upon request by contacting:

info@urbanMetrics.ca
416-351-8585 (1-800-505-8755)



March 29, 2019

Cornell Rouge Development Corporation
2432194 & 2536871 Ontario Inc.
Varlese Brothers Limited
C/O Ms. Lezlie Phillips
Liberty Development Corporation
1 Steelcase Road West, Unit 8
Markham, Ontario
L3R 0T3

Dear Lezlie:

RE: Rouge Park Gateway – Employment Land Conversion Study (Markham, Ontario)

urbanMetrics inc. is pleased to submit our Employment Land Conversion Study, for lands located north of Avenue 7 between Donald Cousens Parkway and Reesor Road, comprising a land area of approximately 17.6 hectares, hereafter referred to as the “Rouge Park Gateway lands”. The landowners are proposing a mixed-use concept plan for the lands, which includes a mix of office, retail, hotel and residential uses.

The purpose of our Employment Land Conversion study is to identify the positive economic, employment and fiscal benefits associated with the proposed concept plan. As part of this study, we have also identified how the proposed concept plan for the Rouge Park Gateway lands is consistent with Provincial, Regional and Local land use planning policy and economic development goals.



We appreciate the opportunity to conduct this assignment on your behalf and we look forward to discussing the results of our report with you.

Yours truly,

A handwritten signature in black ink, appearing to read "D. R. Annand". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Douglas R. Annand, CMC, PLE
Partner
dannand@urbanMetrics.ca

A handwritten signature in black ink, appearing to read "Craig Ferguson". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Craig Ferguson, PLE
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1.0 Executive Summary

urbanMetrics has been retained to undertake an Employment Land Conversion Study for lands located north of Avenue 7 between Donald Cousens Parkway and Reesor Road, comprising a land area of approximately 17.6 hectares, hereafter referred to as the “Rouge Park Gateway lands”.

The concept plan prepared for the Rouge Park Gateway lands envisions a mixed-use community that incorporates office uses, a hotel, retail uses, as well as medium and high-density residential uses. The uses proposed for the Rouge Park Gateway lands will result in a more efficient use of land and public transit infrastructure that is proposed along Avenue 7.

The following highlights the key findings of our analysis:

- The mixed-use development concept plan proposed for the Rouge Park Gateway lands will have synergies that are supportive of the various uses proposed within the site and the broader Cornell Planning District.
- The proposed concept plan for the Rouge Park Gateway lands results in a much more efficient use of land in comparison to the existing land use designations. This higher intensity development is also consistent with policies in the York Region Official Plan and Markham Official Plan, which emphasize locating the most intensive development along Regional Corridors and in key development areas.
- Focusing the Business Park Area along Avenue 7 will enhance the attractiveness of these lands to business and will be more successful in attracting higher employment generating uses, such as office employment that will likely be occupied by high-technology and professional companies in the information, telecommunications, electronics and life sciences sectors, which are important parts of the Markham economy, as identified in their Economic Strategy
- The concept plan for the Rouge Park Gateway lands will allow the City to achieve their vision for a high-profile office development as identified in the Cornell Secondary Plan, the draft Cornell Centre Secondary Plan and the Cornell Centre Precinct Plan.
- The concept plan proposed for the Rouge Park Gateway lands is supportive of policies regarding efficient land use patterns in the PPS and Growth Plan, as it would result in a density on the site that would not be achieved if the lands were developed only for traditional employment uses.
- As the addition of retail and residential uses on the site is considered an employment land conversion, we have examined the employment land conversion policies in the PPS, Growth Plan, York Region Official Plan and City of Markham Official Plan. It is our opinion that the proposed concept plan for the Rouge Park Gateway lands meets all of these tests.
- We have also reviewed the employment area conversion criteria recently proposed by York Region. It is our opinion that the proposed concept plan for the Rouge Park Gateway lands is consistent with nearly all of these criteria.

- The concept plan for the Rouge Park Gateway lands represents a more appropriate form of development for this area of Markham and will likely result in these employment lands being developed sooner than under the current land use designations identified in the Cornell Secondary Plan.
- York Region and Markham have experienced a significant shift away from traditional, lower density employment such as manufacturing, wholesale trade, transportation and warehousing, in favour of higher-density, office, retail and service-based employment.
- Data in the York Region Employment Survey highlights that the vast majority of businesses in Markham are small businesses that employ 1 to 19 employees. Also, based on Markham’s Economic Strategy, the City is targeting growth in the Professional, Scientific and Technical Services industries where firms generally employ only a small number of people. The concept plan for the Rouge Park Gateway lands provides an opportunity to develop office space targeted to small businesses in growing sectors of the Markham and York Region economies.
- The Employment Trends Review prepared by Watson in September 2015 on behalf of York Region highlights the trend towards amenity-driven employment parks and opportunities to integrate residential, retail, commercial and industrial uses into prestige employment areas and business parks. This trend is consistent with the concept plan for the Rouge Park Gateway lands, which proposes high-density office space fronting onto Avenue 7.
- The office market in Markham has performed well in recent years, with vacancy rates declining and base rental rates rising. That being said, office potential in the area of Markham, east of McCowan Road, which includes the Rouge Park Gateway lands, is more challenged. This area of Markham only accounts for 4% of all office space in Markham. Also, existing office space buildings are generally smaller in this area, with a median size of approximately 330 square metres. The office component of the concept plan is consistent with this trend.
- The Office Financial Market Analysis prepared by Watson on behalf of York Region identifies the area in the vicinity of the Rouge Park Gateway lands as having low market potential over the short and medium-term and only moderate market potential over the long-term.
- The Office Financial Market Analysis also identifies potential policy initiatives to improve the marketability of the Region’s Centres and Corridors for office development. One initiative includes integrating office developments into mixed-use developments that include retail and residential uses to increase the feasibility of the development and leverage more competitive types of development to achieve office development objectives. This is consistent with the concept plan for the Rouge Park Gateway lands which includes office, retail, hotel and residential uses.
- The concept plan for the Rouge Park Gateway lands could generate approximately \$44.9 million in initial benefits for the City of Markham, which is \$35.2 million more than would be generated based on the existing permitted land uses.

- On an ongoing basis, the proposed concept plan for the Rouge Park Gateway lands will result in ongoing property tax revenue of \$1.2 million to the City of Markham and \$2.5 million to York Region. This is significantly higher than the tax revenue that is currently being collected.
- Based on our review of the mixed-use concept plan for the Rouge Park Gateway lands, which proposes to integrate office with retail and residential uses, it is our opinion that it is supportive of provincial, regional and local planning policy by providing an opportunity to intensify the site located along a Corridor.
- The mixed-use concept plan is also consistent with the Employment Trends Review and the Office Financial Market Analysis, which were prepared by Watson on behalf of York Region and highlight the trend towards amenity-driven office parks and how the integration of office with retail and residential uses can stimulate office development throughout York Region.
- The Rouge Park Gateway lands are also identified in the Office Financial Market Analysis as only having moderate long-term market potential. Therefore, introducing retail and residential uses, in conjunction with office uses, could help facilitate development on the site earlier than if they were held for traditional employment uses. Overall, it is evident that the concept plan for the Rouge Park Gateway lands represents a more productive use of land when compared to the lands as currently designated.

2.0 Introduction

urbanMetrics has been retained by Cornell Rouge Development Corporation, 2432194 and 2536871 Ontario Inc. and the Varlese Brothers Limited, hereafter referred to as the “Client Group”. The purpose of our retainer is to undertake an Employment Land Conversion Study for lands they collectively own, located north of Avenue 7 between Donald Cousens Parkway and Reesor Road, comprising a land area of approximately 17.6 hectares, hereafter referred to as the “Rouge Park Gateway lands”.

2.1 Purpose

This study has been undertaken as input to an application to amend the Cornell Secondary Plan to re-designate lands located north of Avenue 7 between Donald Cousens Parkway and Reesor Road. The purpose of this report has been to estimate the number of jobs that would likely be accommodated on the subject lands as currently designated, in comparison to the Rouge Park Gateway concept plan. As part of this study, we have also identified how the proposed concept plan for the Rouge Park Gateway lands is consistent with Provincial, Regional and Local land use planning policy and economic development goals.

We have also estimated the fiscal benefits (both one-time and annually) that will flow to the City of Markham and York Region, generated through planning application fees, building permit fees, development charges and property taxes.

The concept plan for the Rouge Park Gateway lands will require amendments to the Cornell Secondary Plan to accommodate the proposed residential and retail uses. The Client Group is also requesting that the Region reflect the proposed changes in the new Official Plan, which is currently under review, as well as the City of Markham Official Plan.

2.2 Approach

The following section describes the work undertaken in preparing our Employment Land Conversion Study:

1. Site Evaluation

We have visited the Rouge Park Gateway lands and examined the existing and proposed land uses surrounding the site to assess their suitability for office employment uses as well as retail, hotel and residential uses. We have considered the lands in terms of their location and access characteristics and in particular assessed the locational attributes of these lands in attracting the types of employment uses that would likely be accommodated under the current land uses compared to those that would be attracted under the proposed Rouge Park Gateway concept plan.

2. Policy Framework

We have reviewed the Provincial Policy Statement (PPS), the Growth Plan for the Greater Golden Horseshoe (the Growth Plan), the Region of York Official Plan, the Markham Official Plan, the Cornell Secondary Plan and the draft policies in the Cornell Centre Secondary Plan to identify relevant policies that address the re-designation of the Rouge Park Gateway lands. In addition, we have reviewed reports prepared as background to the York Region and Markham Official Plans to determine if the concept plan for the Rouge Park Gateway lands is consistent with these studies.

3. Examination of Historical Employment and Real Estate Trends in York Region and Markham

Where available, we have examined historical employment and real estate trends using time-series data for a variety of sources including the Region of York, Census of Canada and CoStar Realty Data. This data is used to evaluate the prospects for development of the Rouge Park Gateway lands with various types of uses including traditional manufacturing, warehousing, offices, or retail/service uses that could locate on the lands under the existing land use designations.

4. Employment and Fiscal Benefit Analysis

We have compared the economic benefits that would be derived by York Region and the City of Markham from the development of the Rouge Park Gateway lands concept plan, in comparison to the types of uses that could be accommodated under the existing land use designation.

5. Summary of Economic Impact

Finally, we have summarized the results of our employment area conversion and economic benefits analysis and provided our professional opinion as to whether the concept plan for the Rouge Park Gateway lands better meets the Region's and City's ability to achieve its employment forecasts, is consistent with the economic vision for the community, and provides significant economic benefit to both the Region and City.

The following sections of this study present the results of our analysis and summarize our detailed research findings.

3.0 Site Context

In order to evaluate the potential benefits achieved through the proposal for the Rouge Park Gateway lands, we have examined the lands in terms of their location, size, configuration and accessibility characteristics.

Key Findings

- The mixed-use development concept plan proposed for the Rouge Park Gateway lands will have synergies that are supportive of the various uses proposed within the site and the broader Cornell Planning District.
 - The proposed concept plan for the Rouge Park Gateway lands results in a much more efficient use of land in comparison to the existing land use designations. This higher intensity development is also consistent with policies in the York Region Official Plan and Markham Official Plan, which emphasize locating the most intensive development along Regional Corridors and in key development areas.
 - Focusing the Business Park Area land along Avenue 7 will enhance the attractiveness of these lands to business and will be more successful in attracting higher employment generating uses, such as office employment, particularly the high-technology and professional companies in the information, telecommunications, electronics and life sciences sectors, which are important parts of the Markham economy, as identified in their Economic Strategy
 - The concept plan for the Rouge Park Gateway lands will allow the City to achieve their vision for a high-profile office development as identified in the Cornell Secondary Plan, the draft Cornell Centre Secondary Plan and the Cornell Centre Precinct Plan.
-

3.1 Background and Context

Background

The Client Group and the consulting team have prepared a concept plan for the Rouge Park Gateway lands. The proposed concept plan, shown in Figure 3-1 requires the re-designation of the site from Business Park Area Employment to Mixed Use in the Cornell Centre Secondary Plan. We do note that a significant portion of the Rouge Park Gateway lands will continue to accommodate the types of employment uses that are currently permitted in the Business Park Area Employment designation in the Cornell Centre Secondary Plan.

In our professional opinion, the mixed-use concept plan proposed for the Rouge Park Gateway lands will have synergies that are supportive of the various uses proposed within the site. For example, the hotel will support business travelers visiting the businesses in the new office buildings proposed. The retail uses that are proposed on the ground floor of the mixed-use buildings will be supported by the residents and employees living and working on the site, as well as residents and employees in the local area. In addition, new residents living in the residential buildings and live-work units could potentially work in the office buildings on-site. Therefore, in our opinion all of the proposed uses in this mixed-use project are supportive of one another and the broader Cornell Planning District.

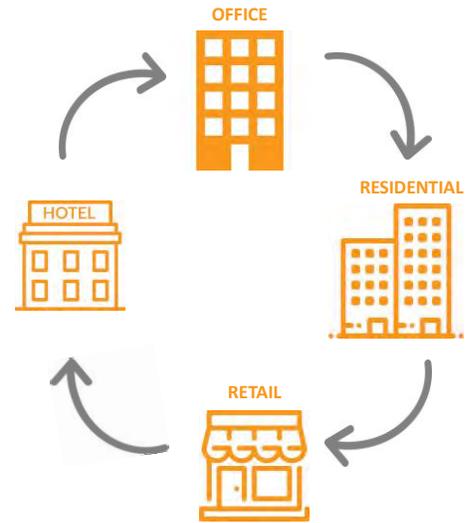


Figure 3-1: Concept Plan for the Rouge Park Gateway Lands



Policy Context

The Rouge Park Gateway lands are located within the Urban Area of York Region. It is notable that Avenue 7, which borders the south of the Rouge Park Gateway lands is identified as a Regional Corridor in Map 1 of the York Region Official Plan. Policy 5.4.1 of the York Region Official Plan states:

That the Regional Centres and Corridors, as shown on Map 1, serve a critical role as the primary locations for the most intensive and greatest mix of development within the Region.

The Markham Official Plan designates the Rouge Park Gateway lands as Business Park Employment and Service Employment. The lands are also designated as being along a Regional Rapid Transit Corridor. It is notable that the Cornell Centre Secondary Plan, which includes the Rouge Park Gateway lands, is also identified as a Key Development Area in the Markham Official Plan. According to Section 2.5 of the Markham Official Plan:

The Regional Centres and Regional Corridors/key development areas will be the prime locations for infill and intensification; the most intensive of which being directed to the Regional Centres and key development areas along the Avenue 7 and Yonge Street Regional Corridors.

Section 2.5.2 of the Markham Official Plan goes on to state:

2.5.2.2 *That the most intensive and widest range of uses within the Corridors will be directed to the key development areas shown in Map 1 – Markham Structure and Map 2 – Centres and Corridors and Transit Network.*

2.5.2.3 *That key development areas will support an overall long-term density target of:*

- a) *a minimum 2.5 floor space index for developable lands in each key development area;*

Based on Map 12 – Urban Area and Built-up Area in the City of Markham Official Plan, the Rouge Park Gateway lands are located within Designated Greenfield Area (DGA) of the City of Markham.

Therefore, residents and jobs accommodated on the lands will contribute towards the DGA density target identified for Markham in the York Region Official Plan.

The land use designation proposed for the Rouge Park Gateway lands are identified on the left side of Figure 3-2, while the current land use designation in the Cornell Centre Secondary Plan are identified on the right. As shown, the current land use designations on the site include Business Park Employment and Service Employment – Automotive Service Station. While the Rouge Park Gateway lands are designated to accommodate a mix of business park employment and service employment, they remain largely undeveloped aside from the Valleyview Gardens nursery and two residential dwellings fronting onto Avenue 7.

Existing Permitted Land Uses

Based on the Development Blocks and minimum densities identified in Schedule CC of the Cornell Centre Secondary Plan, the Rouge Park Gateway lands could be accommodated, at a minimum, approximately 66,420 square metres of gross floor area (GFA) on the Business Park Employment blocks. It is notable that the Service Employment – Automotive Service Station block on the Rouge Park Gateway lands does not include a minimum density. However, based on professional experience, the permitted types of uses typically have a density of 0.05 FSI. Therefore, a total of approximately 67,225 square metres of GFA could be accommodated on the Rouge Park Gateway lands (see Figure A- 1 in Appendix A for detailed calculations).

Figure 3-2: Rouge Park Gateway Concept Plan and Current Land Use Designations



SOURCE: urbanMetrics based on the concept plan for the Rouge Park Gateway lands and the Cornell Centre Secondary Plan.

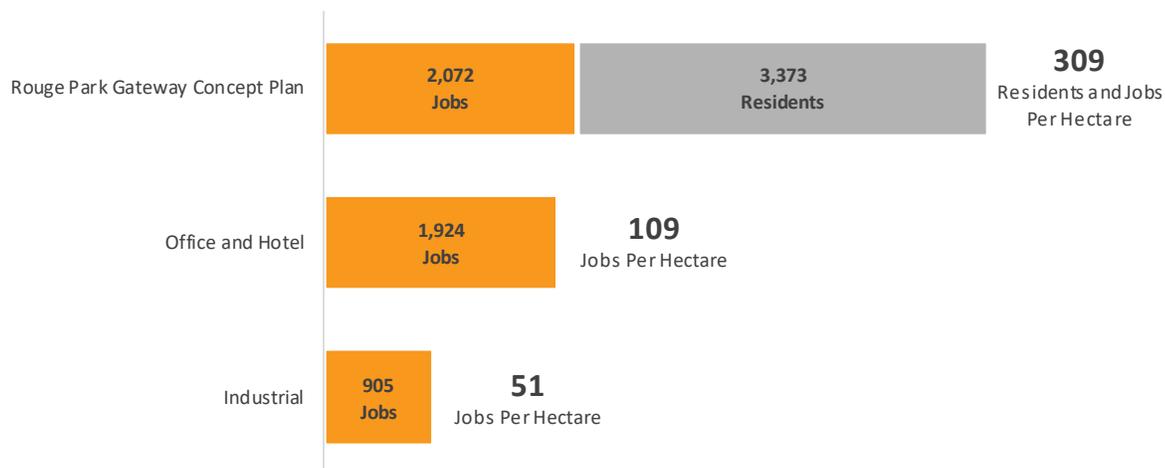
Proposed Land Uses

All told, the concept plan for the Rouge Park Gateway lands includes 1,279 residential units and 66,760 square metres of non-residential space, which includes space for commercial and office uses in addition to a hotel. It is notable that the amount of non-residential GFA included in the concept plan for the Rouge Park Gateway lands is consistent with the amount of non-residential GFA that could be accommodated on the site based on the minimum densities identified in the Cornell Centre Secondary Plan (67,225 square metres).

That being said, it is our opinion that the Rouge Park Gateway lands, as currently designated, are unlikely to attract a sufficient number of jobs to necessitate the development of non-residential space that is greater than the minimum densities identified in the Secondary Plan. For example, there is already a large supply of vacant employment land to the south and west of the Rouge Park Gateway lands. It is our opinion that these lands are more marketable for office uses than the subject site, as some of these lands have frontage on Highway 407 and are located closer to the existing communities in Cornell and the Commercial block located at Avenue 7 and Bur Oak Avenue.

As shown in Figure 3-3, we have estimated that the Rouge Park Gateway lands could achieve a density of 309 residents and jobs per hectare based on the proposed concept plan (detailed calculations are provided in Figure A- 2 in Appendix A). By comparison, under the current land use designation, the Rouge Park Gateway lands could accommodate a density of 109 jobs per hectare if developed with office and hotel uses. That being said, it is important to note that the current land use designations also permit land-extensive traditional industrial uses on the site. If the Rouge Park Gateway lands were developed with land-extensive industrial uses, the site would only achieve a density of 51 jobs per hectare.

Figure 3-3: Estimated Residents and Jobs on Rouge Park Gateway Lands



SOURCE: urbanMetrics inc. See Figure A- 2 in Appendix A for detailed calculations.

As shown, the proposed concept plan for the Rouge Park Gateway lands results in a much more efficient use of land in comparison to the existing land use designations. This higher intensity development is also consistent with policies in the York Region Official Plan and Markham Official Plan, which emphasize locating the most intensive development along Regional Corridors and in key development areas.

Also, the proposed concept plan, with the Business Park Area land fronting on Avenue 7 will enhance the attractiveness of these lands to business and will be more successful in attracting higher employment generating uses, such as offices that will likely accommodate more high-technology and professional companies in the information, telecommunications, electronics and life sciences sectors, which are important parts of the Markham economy, as identified in their Economic Strategy.

Also, based on the concept plan for the Rouge Park Gateway lands, the high-density office employment uses will generally border Avenue 7, which is the most desirable part of the parcel for office uses. The lands to the north, which have an irregular shape, are not as marketable for employment uses. Therefore, by accommodating residential and a mix of uses on this portion of the Rouge Park Gateway lands, it will ensure that these lands are developed at a density that is supportive of the transit investment that is planned for this section of Avenue 7, as well as the proposed GO Station, located one kilometre to the east of the site.

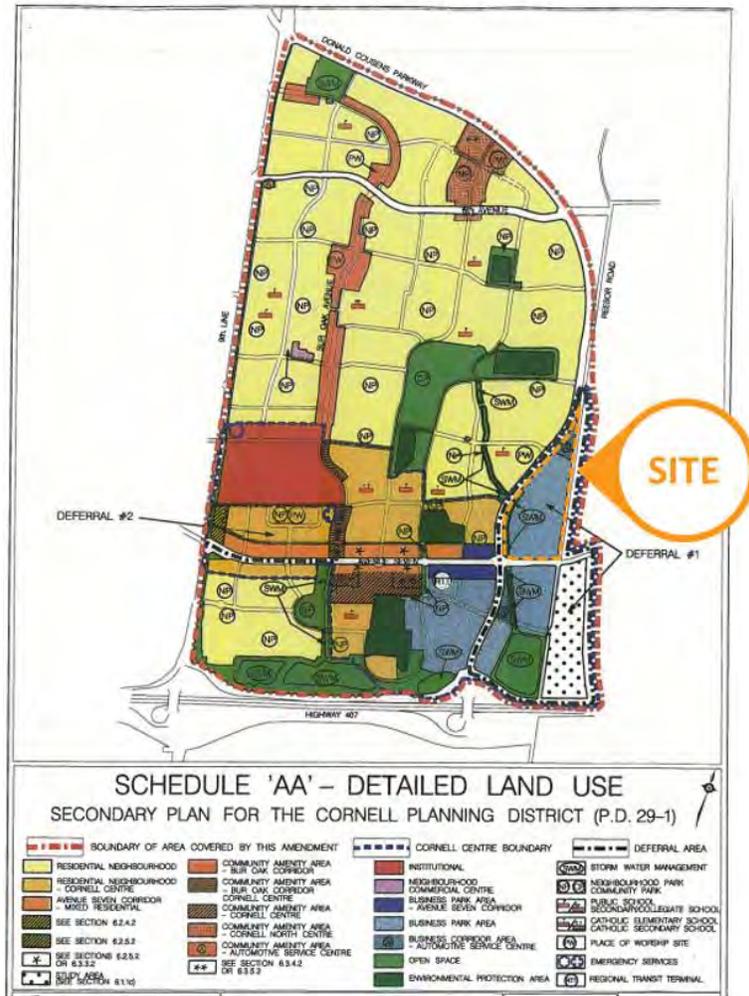
3.2 Cornell Planning District and Cornell Centre

Located in southeastern Markham, the Cornell Planning District is bordered by Donald Cousens Parkway on the north, 9th Line on the west, Reesor Road and the Greenbelt on the east and Highway 407 on the south (Figure 3-4) and comprises approximately 694 hectares of land¹. Cornell was designed by the firm Duany Plater-Zyberk in the mid-1990's around the New Urbanism principals that promote walkable, mixed-use communities. The plan attempts to achieve these policies through higher residential and employment densities than experienced in other areas of Markham.

To date, most of the development activity taking place in the Cornell Planning District has been in the form of low, medium and high-density residential units, some live-work units along Bur Oak Avenue and the Markham-Stouffville Hospital, which has been in operation since 1990. Aside from the live-work units along Bur Oak Avenue and the hospital, there has been very little in the way of commercial and employment land development to date in the Cornell Planning District.

¹Official Plan Amendment and Secondary Plan for the Cornell Planning District (Planning District No. 29), July 15, 2008, p. 11. Includes lands owned by the Ontario Realty Corporation (ORC), east of Reesor Road bordered by Avenue 7 on the north and Highway 407 on the south.

Figure 3-4: Cornell Secondary Plan Land Use Map



As shown in Figure 3-4, the Rouge Park Gateway lands are identified as Deferral #1 in the Land Use Plan for the Cornell Secondary Plan. The Land Use Plan also identifies the lands as being designated Business Park Area and Business Park Area – Automotive Service Centre. According to Section 6.4.3 of the Cornell Secondary Plan “the ‘Business Park Area’ designation is intended to accommodate individual office buildings, office and prestige industrial campus development in single and multi-unit buildings”.

Section 6.4.3.1 b) of the Cornell Secondary Plan states that:

“Notwithstanding Section 6.4.3.1 a), hotels may only be permitted subject to the review of a specific development proposal and rezoning pursuant to the provisions of Section 6.4.1 c) of this Secondary Plan.”

Schedule CC of the Cornell Secondary Plan identifies a minimum density of 0.45 FSI across the Rouge Park Gateway lands and Section 6.4.3.1 f) of the Cornell Secondary Plan identifies a maximum building height of 10-storeys.

The Business Park Area – Automotive Service Centre designation “is intended to accommodate an automotive campus in buildings compatible and consistent with development of the adjoining lands”. This designation permits automobile service stations, automobile repair uses and car wash facilities.

Within the Cornell Secondary Plan Area, the area identified as Cornell Centre is planned in part “to function as a regional employment node, building on the healthcare campus and on opportunities to locate a highly accessible, regional scale concentration of employment activities at the intersection of major road and transit networks”.² According to the Cornell Secondary Plan, Cornell Centre contains a large portion of the employment lands designated in the Plan, in addition to residential and commercial uses.³

In addition to the Cornell Secondary Plan, which is intended to guide development in Cornell Centre, the City of Markham also initiated a Draft Official Plan Policy Framework for Cornell Centre. The land use map for the Cornell Centre Secondary Plan is shown in Figure 3-5.

Based on a staff report to the Development Service Committee, “the current Cornell Secondary Plan (OPA 168) will be amended to incorporate the updated policies for Cornell Centre; the updated policies will also form the basis for a Secondary Plan for Cornell Centre under the Official Plan 2014”.⁴

The Cornell Centre Secondary Plan identifies updated population and employment estimates at full build-out. This includes approximately 17,000 to 18,000 persons in approximately 9,000 housing units and approximately 14,000 to 15,000 jobs.

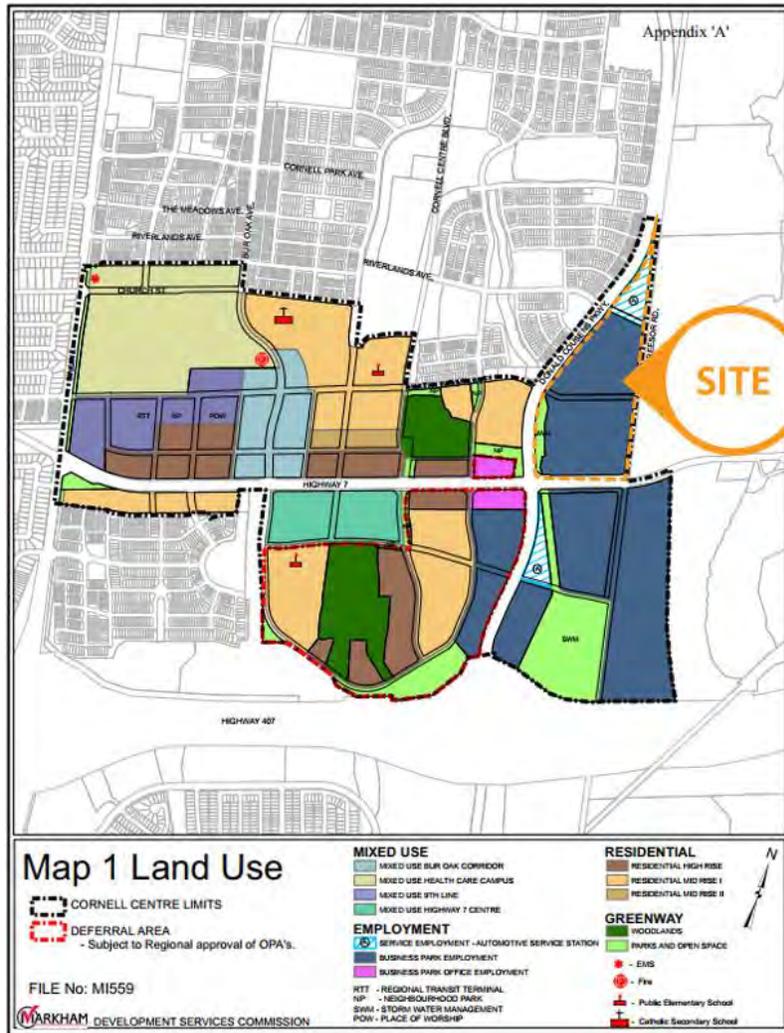
As shown, the Cornell Centre Secondary Plan Land Use Map identifies the Rouge Park Gateway Lands as Business Park Employment, Service Employment – Automotive Service Station and Parks and Open Space.

² Page 43

³ Section 6.1.3

⁴ Report to: Development Service Committee; Subject: Draft Official Plan Policy Framework for Cornell Centre; Report Date: September 22, 2015.

Figure 3-5: Cornell Centre Secondary Plan Land Use Map



Section 6.4.4 of the Cornell Centre Secondary Plan states that “the ‘Business Park Area – Business Park Employment’ designation is primarily intended to accommodate individual office buildings, in an office and prestige industrial business park campus setting, in single and multi-tenant buildings”. Whereas, Section 6.4.5 of the Cornell Centre Secondary Plan states that the Business Park Area – Service Employment, Automotive Service Station “designation is intended to accommodate an automotive service campus in buildings compatible and consistent with the development of the adjoining lands”. The minimum development density and maximum building heights identified for the Rouge Park Gateway lands in the Cornell Centre Secondary Plan are consistent with those identified in the Cornell Secondary Plan.

A *Cornell Centre Precinct Plan* was also prepared by Urban Strategies in November 2012. The Precinct Plan identifies the Rouge Park Gateway lands as an area to accommodate Business Park Employment that “is intended to provide for prestige employment uses and create an opportunity for high profile

office development in a campus-like setting”. Permitted uses in the Business Park Area include “office buildings, research and development facilities, post secondary institutions, hotels and convention centres and small-scale, locally serving commercial and recreational uses located at grade”. The concept plan for the Rouge Park Gateway lands will allow the City to achieve their vision for a high-profile office development as identified in the Cornell Centre Precinct Plan.

3.3 Site Accessibility

From an accessibility perspective, the Rouge Park Gateway lands are well situated for development of both residential and employment uses. The lands have direct access to Donald Cousens Parkway and Highway 407.

The lands are also located along the 001 – Avenue 7 line of the VIVA rapid transit service, which currently extends to the corner of Avenue 7 and Donald Cousens Parkway. This VIVA line has average service frequencies of 30 minutes during rush hour. In addition, based on *Moving to 2020 YRT/Viva Strategic Plan Update* there are plans for Rapid Transit service along Avenue 7 that would terminate just west of the Rouge Park Gateway lands.

In addition to the planned VIVA rapid transit service along Avenue 7, the *GO 2020*, GO Transit Strategic Plan, indicates that to improve access to downtown Toronto, they plan to introduce trains along lines they are not currently using, including the East Markham line. This line is proposed to include a station at Locust Hill, close to the Rouge Park Gateway lands. The Locust Hill station is proposed to be located north of Avenue 7, between Donald Cousens Parkway and the York- Durham Line and would provide excellent access to the Rouge Park Gateway lands.

The planned VIVA rapid transit service along Avenue 7 and potential GO Transit station at Locust Hill provide excellent access to the Rouge Park Gateway lands. These planned transit improvements would make these lands ideal for a mix of residential and high-density employment uses.

4.0 Land Use Planning Framework

The following subsection reviews various land use planning policies at the Provincial, Regional and municipal levels that are relevant to the proposed re-designation of a portion of the Rouge Park Gateway lands.

Key Findings

- The concept plan proposed for the Rouge Park Gateway lands is supportive of policies regarding efficient land use patterns in the PPS and Growth Plan, as it would result in a density on the site that would not be achieved if the lands were developed only for employment uses.
 - As the addition of retail and residential uses on the site is considered an employment land conversion, we have examined the employment land conversion policies in the PPS, Growth Plan, York Region Official Plan and City of Markham Official Plan. It is our opinion that the proposed concept plan for the Rouge Park Gateway lands meets all of these tests.
 - We have also reviewed the employment area conversion criteria recently proposed by York Region. It is our opinion that the proposed concept plan for the Rouge Park Gateway lands is consistent with nearly all of these criteria.
 - The concept plan for the Rouge Park Gateway lands represents a more appropriate form of employment development for this area of Markham and will likely result in the employment lands being developed sooner than under the current land use designations in the Cornell Secondary Plan.
-

4.1 Provincial Policy Statement

The 2014 Provincial Policy Statement (PPS) contains policies that address efficient development and land use patterns, as well as policies related to employment lands and their potential conversion to non-employment uses.

Section 1.1.1 of the PPS, deals with efficient development and land use patterns:

“Healthy, livable and safe communities are sustained by:

- a) promoting efficient development and land use patterns which sustain the financial well-being of the Province and municipalities over the long term;*
- b) accommodating an appropriate range and mix of residential (including second units, affordable housing and housing for older persons), employment (including industrial and*

commercial), institutional (including places for worship, cemeteries, and long-term care homes), recreation, parks and open space, and other uses to meet long-term needs”.

The PPS defines employment areas as “those areas designated in an official plan for clusters of business and economic activities, including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities”. Section 1.3.1, which relates specifically to employment areas, states that:

1.3.1 Planning authorities shall promote economic development and competitiveness by:

- a) providing for an appropriate mix and range of employment and institutional uses to meet long-term needs;*
- b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*
- c) encouraging compact, mixed-use development that incorporates compatible employment uses to support liveable and resilient communities; and*
- d) ensuring the necessary infrastructure is provided to support current and projected needs.*

Section 1.3.2 of the PPS, relating to the conversion of lands within employment areas, states that

“planning authorities may permit conversion of lands within employment areas to non-employment uses through a comprehensive review, only where it has been demonstrated that the land is not required for employment purposes over the long term and that there is a need for the conversion.”

It is our opinion that there is a need for the conversion. The concept plan for the Rouge Park Gateway lands promotes a more efficient and intensive land-use development pattern than the current land uses identified in the Cornell Centre Secondary Plan. The amount of non-residential space proposed in the concept plan for the Rouge Park Gateway lands is consistent with the minimum densities identified in the Cornell Secondary Plan, in addition to 1,279 new residential units. As summarized earlier in this report, the concept plan for the Rouge Park Gateway lands could achieve a density of 309 residents and jobs per hectare, which is nearly three times the density of 109 jobs per hectare that could be achieved under the current land use designations if developed with hotel and office uses and six times the density if the site was developed with industrial uses.

Also, the re-designation of the Rouge Park Gateway lands is consistent with Section 1.3.2 of the PPS as it will accommodate the same number of jobs as under the current land use designations if developed

with office uses. Therefore, it will not detract from York Region’s and Markham’s ability to achieve its employment forecasts as set out in the Regional Official Plan.

The Rouge Park Gateway lands are located along an arterial road, Avenue 7, which is proposed to include rapid transit service, and are in proximity to a planned GO Transit station. Therefore, the lands should be developed at higher densities than other parts of Markham that are not planned to have this type of infrastructure.

We also note that as some of the Rouge Park Gateway lands are being re-designated to residential uses, this is the appropriate time to consider this change as part of the ongoing regional comprehensive review.

4.2 Growth Plan for the Greater Golden Horseshoe

The Province’s Growth Plan for the Greater Golden Horseshoe (2017), hereafter referred to as the Growth Plan, which came into effect in July 2017, also outlines a number of specific policies relating to efficient land use and the use and development of employment lands.

Section 2.2.1 of the Growth Plan, which relates to managing growth, states:

- 4. Applying the policies of this Plan will support the achievement of complete communities that:*
- a) feature a diverse mix of land uses, including residential and employment uses, and convenient access to local stores, services, and public service facilities;*

The proposed re-designation of a portion of the Rouge Park Gateway lands will allow for the creation of a complete community east of Donald Cousens Parkway by providing a mix of land uses including both residential and employment. In addition, the ground-floor retail space proposed in the bottom of the mixed-use buildings will ensure that both residents and employees have convenient access to local stores and services.

Section 2.2.5 of the Growth Plan relates specifically to employment lands and their promotion of economic development and competitiveness. Section 2.2.5.1 states:

- Economic development and competitiveness in the GGH will be promoted by:*
- a) making more efficient use of existing employment areas and vacant and underutilized employment lands and increasing employment densities;*
 - b) ensuring the availability of sufficient land, in appropriate locations, for a variety of employment to accommodate forecasted employment growth to the horizon of this Plan;*

- c) *planning to better connect areas with high employment densities to transit; and*
- d) *integrating and aligning land use planning and economic development goals and strategies to retain and attract investment and employment.*

The concept plan proposed for the Rouge Park Gateway lands will provide non-residential space that is consistent with the amount of space that could be accommodated on the site based on the minimum densities identified in the Cornell Centre Secondary Plan. The introduction of residential uses will result in an overall more efficient use of the lands in comparison to the current land use designations. The concept plan also ensures the availability of employment lands to accommodate forecasted employment growth in York Region and the City of Markham. The proposed concept plan for the Rouge Park Gateway lands, which includes high-density employment uses along Avenue 7 will also ensure high employment densities in proximity to existing and proposed transit infrastructure. Also, accommodating higher-density office uses on the site is consistent with the City of Markham Economic Development Strategy.

Section 2.2.5.9 of the Growth Plan, states:

The conversion of lands within employment areas or prime employment areas to non-employment uses may be permitted only through a municipal comprehensive review where it is demonstrated that:

- a) *there is a need for the conversion;*
- b) *the lands are not required over the horizon of this Plan for the employment purposes for which they are designated;*
- c) *the municipality will maintain sufficient employment lands to accommodate forecasted employment growth to the horizon of this Plan;*
- d) *the proposed uses would not adversely affect the overall viability of the employment area or prime employment area or the achievement of the minimum intensification and density targets in this Plan, as well as the other policies of this Plan; and*
- e) *there are existing or planned infrastructure and public service facilities to accommodate the proposed uses.*

Section 2.2.5.10 goes on to state:

For greater certainty, the re-designation of an employment area to a designation that permits non-employment uses is considered a conversion and may occur only through a municipal comprehensive review undertaken in accordance with policy 2.2.5.9.

In Section 4.3 of this Employment Land Conversion Study, we address each of these conversion criteria.

4.3 York Region Official Plan

York Region is currently undertaking a review of its Official Plan as part of a broader Municipal Comprehensive Review (MCR). Based on the timeline identified for the MCR, it is anticipated that a Draft Updated Regional Official Plan will be made available in the Fall of 2019 with Council adoption in Spring of 2020. As such, we have relied on policies included in the York Region Official Plan 2010, which has been approved by the Minister of Municipal Affairs and Housing. It has since been appealed to the Ontario Municipal Board (OMB), with some parts being partially approved and/or modified by the OMB.

Similar to the PPS and the Growth Plan, the Region of York Official Plan includes policies related to the conversion of employment lands. Section 4.3, on planning for employment lands, states that “the ongoing viability of these [employment] lands is contingent upon long term protection, effective planning and design, and a shift towards increasingly sustainable and innovative industrial processes”.

Section 4.3.8 of the Region of York Official Plan states that “conversion of employment lands to non-employment land uses is not permitted”. It contemplates in Section 4.3.9:

that notwithstanding policies 4.3.6, 4.3.8, 4.3.13 and 4.4.6 of this Plan, the conversion of employment lands to non-employment land uses may only be considered, at the time of a municipal comprehensive review in accordance with the applicable policies and population/employment forecasts of the Region.

The forecasts referred to in Section 4.3.9 are contained in Table 1 of the Official Plan. Table 1 indicates that Markham is forecast to achieve 240,400 jobs by 2031. Based on our earlier analysis in this report, the re-designation of a portion of the Business Park Employment and Service Employment – Automotive Service Station will not negatively impact Markham’s ability to achieve its employment forecasts as set out in the Plan, as the concept plan for the Rouge Park Gateway lands envisions accommodating the same number of jobs and non-residential space that could be accommodated on the site based on the minimum densities in the Cornell Secondary Plan.

In addition to the York Region Official Plan, the Region has recently released Proposed Employment Area Conversion Criteria to help evaluate the approximately 30 employment area conversion requests received to date. In aggregate, there are 14 conversion criteria, some of which are consistent with the criteria in the Growth Plan. Below we have addressed each of these proposed conversion criteria in the context of the concept plan being proposed for the Rouge Park Gateway lands.

Growth Plan Criteria

1. The lands are not required over the horizon of the Growth Plan for the employment purposes for which they are designated (Growth Plan 2.2.5.9 b).

As demonstrated earlier in Figure 3-3, the proposed concept plan for the Rouge Park Gateway lands will accommodate a similar amount of non-residential GFA and same number of jobs as are currently permitted based on the minimum densities in the Cornell Centre Secondary Plan. Therefore, the entirety of the site is not required for the employment purposes for which it is designated.

Also, the site is designated Business Park Employment, which already permits office, industrial/warehouse, and hotel. As the proposed conversion includes office and a hotel, and in our opinion, there is limited if any market for industrial/warehouse facilities at this location, this employment area will still generate a significant amount of employment generally consistent with the intent of the existing designation.

2. The Region and local municipality will maintain sufficient employment lands to accommodate forecasted employment growth, including sufficient employment land employment growth, to the horizon of the Growth Plan (modified Growth Plan 2.2.5.9.c).

As the concept plan for the Rouge Park Gateway lands will accommodate the same number of jobs as the current land use designations, the Region of York and City of Markham will maintain sufficient employment lands to accommodate forecasted growth to 2041.

It is important to note that this conversion criteria proposed by York Region is similar to the Growth Plan criteria, with the subtle different that there must be sufficient employment lands to accommodate growth in employment land employment (ELE). It is important to note that the Rouge Park Gateway lands are currently designated as Business Park Employment, which could accommodate ELE, as well as Major Office Employment (MOE). As noted above, it is our opinion that there is limited if any market for industrial/warehouse facilities at this location.

Also, the Cornell Centre Precinct Plan prepared by Urban Strategies Inc. shows the Rouge Park Gateway lands accommodating higher-density office-type uses. Therefore, these lands were not being considered for land-extensive ELE uses.

In addition, York region studies, including: their Employment Trends Review and the Office Financial Market Analysis, stress the regional trend to greater market demand for higher intensity employment uses and the need to expand the range of uses in Prestige Employment Parks to include residential and retail uses. With the intensified employment uses proposed on this site, which will accommodate the same number of jobs, the amount of employment land required at the regional and municipal level could likely be reduced.

3. Non-employment uses would not adversely affect the overall viability of the employment area or the achievement of the minimum intensification and density targets and other policies in the Growth Plan (modified Growth Plan 2.2.5.9 d).

It is our opinion that the re-designation of a portion of the Business Park Employment and Service Employment – Automotive Service Station lands will not adversely affect the overall viability of the employment area. In fact, it is our opinion that the re-designation will enhance the overall viability of the employment area by focusing on the types of employment that are likely to locate in this area of Markham. Also, the new residents proposed on the northern portion of the Rouge Park Gateway lands will provide support for new businesses located in office buildings along the north side of Avenue 7 and allow these businesses to be developed earlier than would occur under the current land use designation.

It is also our opinion that the density of 309 residents and jobs per hectare will help the City and Region achieve the DGA density target in the Growth Plan. Also, based on York Region *Residential Unit Supply Inventory* report, there is potential to accommodate as many as 165,700 units within the Region’s intensification areas, which is more than sufficient for York Region to achieve the 60% intensification target in the Growth Plan.

4. There are existing or planned infrastructure and public service facilities to accommodate the non-employment uses (e.g. sewage, water, energy, transportation) (modified Growth Plan 2.2.5.9 e).

It is our understanding that existing and planned sewer, water, storm and transportation infrastructure is sufficient to accommodate the proposed uses on the Rouge Park Gateway lands. This will be addressed in detail in the Planning Rationale report.

5. There is a need for the conversion (Growth Plan 2.2.5.9 a).

It is our opinion that there is a need to re-designate of the Rouge Park Gateway lands. Based on the currently permitted minimum densities for the Rouge Park Gateway lands, we estimate the lands could accommodate 67,225 square metres of non-residential space and 1,924 employees across the entire site. This results in a density of 109 jobs per hectare. By comparison, the concept plan for the Rouge Park Gateway lands could accommodate 5,445 residents and jobs, resulting in a density of 309 residents and jobs per hectare. It is our opinion that the Rouge Park Gateway lands should be developed at this higher density, as it will allow for increased utilization of the planned rapid transit along the Avenue 7 Corridor. This higher density will also benefit the planned GO Station located one kilometre east of the Rouge Park Gateway lands.

It is also our opinion that given the large supply of vacant employment lands in the vicinity of the Rouge Park Gateway lands to the south and west, the subject lands are unlikely to be developed in the medium to long-term with the current land use designations. The

introduction of residential uses to the Rouge Park Gateway lands will result in them being developed sooner.

York Region Criteria

- 6. The following employment areas will not be considered for conversion as they have not yet had the opportunity to develop due to servicing constraints or have recently been brought into the urban boundary to accommodate employment land employment growth to 2031: Keswick Business Park, Queensville, Highway 404 (ROPA 1), ROPA 3, and Highway 400 North (ROPA 52).**

The Rouge Park Gateway lands are not located in any of the employment areas noted above. Therefore, it meets this proposed conversion criteria.

- 7. The employment area will not be considered for conversion if the entire perimeter of the site is surrounded by lands designated for employment uses and is not viable to continue as an employment area.**

The Rouge Park Gateway lands are only bordered by employment uses to the south. Lands to the east and north are the Rouge Park and there are residential uses to the west. Therefore, the proposed conversion meets this criterion.

- 8. Conversion of the site would not compromise the Region's and/or local municipality's supply of large sized employment area sites (i.e. 10 ha or greater) which allow for a range uses including but not limited to land extensive uses such as manufacturing, warehousing, distribution and logistics.**

While the Rouge Park Gateway lands are larger than 10 hectares, in our opinion this site has little marketability for land extensive uses that require such a large site.

- 9. The conversion will not destabilize or adversely affect current or future viability and/or identity of the employment area with regards to:**

a) Hindering the operation or expansion of existing or future businesses

The Rouge Park Gateway land is generally isolated, with only one employment area located south of Avenue 7 which separates the subject site from any future employment uses that would develop in that area. Therefore, it meets this proposed conversion criteria.

b) Maintaining lands abutting or in proximity to the conversion site for employment purposes over the long term

As noted above separation of the site from the employment lands to the south will not impact the potential development of these lands for their intended employment uses. Therefore, it meets this proposed conversion criteria.

c) Attracting a broad range of employment opportunities and maintaining clusters of business and economic activities

The proposed concept plan for the Rouge Park Gateway lands includes a range of uses, including offices, retail, and a hotel, consistent with the type of uses that may ultimately locate in the employment area located south of the subject site. Therefore, it meets this proposed conversion criteria.

d) Providing appropriate buffering of employment uses from non-employment uses.

The site is already buffered on all sides by Donald Cousens Parkway, Avenue 7, and Rouge Park. Therefore, it meets this proposed conversion criteria.

10. The conversion to a non-employment use is compatible with the surrounding uses such as existing employment uses, residential or other sensitive land uses and will mitigate existing and/or potential land use conflicts.

As there are no existing surrounding land uses and the site is already buffered from the surrounding areas, no land use conflicts will arise resulting from the proposed conversion. Therefore, it meets this proposed conversion criteria.

11. The site offers limited development potential for employment land uses due to factors including size, configuration, access and physical conditions.

The location and access characteristics of the site make it unattractive for land-extensive uses that typically require the use of 400-series highways. Therefore, it meets this proposed conversion criteria.

12. The proposed site is not adjacent to 400-series highways, or is not located in proximity to existing or planned highways and interchanges, intermodal facilities, airports and does not have access to rail corridors.

The Rouge Park Gateway lands are not adjacent to a 400-series highway. Although the lands are in proximity to the interchange at Donald Cousens Parkway and Highway 407, it is our opinion that logistics, transportation and warehousing companies generally do not use this provincial highway due to the tolls. Therefore, it meets this proposed conversion criteria.

13. The proposed conversion to a non-employment use does not compromise any other planning policy objectives of the Region or local municipality.

This conversion criteria will be addressed by the planner retained by the Client Group. That being said, the proposed conversion does support a number of policy objectives that include planning for higher densities along corridors, and a number of economic development objectives such as providing for a range of employment opportunities.

14. Cross-jurisdictional issues have been addressed.

It is our opinion that, as the Rouge Park Gateway lands are bordered by the Greenbelt on the east, they are unlikely to impact surrounding municipalities.

4.4 City of Markham Official Plan

The City of Markham 2014 Official Plan was adopted by Council in December 2013. It has since been appealed to the Ontario Municipal Board (OMB), with some parts being partially approved and/or modified by the OMB.

The 2014 Markham Official Plan contains policies related to the conversion of employment lands to non-employment uses. Section 5.1.2.4 b) states that “an application for development involving the conversion of employment land shall only be dealt with in the context of a *municipal comprehensive review*, in accordance with Provincial and York Region Official Plan policies”.

Section 5.1.2.5 goes on to state:

That during the course of a municipal comprehensive review, in considering a request for conversion of lands, as defined in Section 5.1.2.4, within an ‘Employment Lands’ designation, it shall be demonstrated that:

- a) there is a need for the conversion; and*
- b) there are sufficient lands within ‘Employment Lands’ designations to accommodate the type of employment assumed in the employment forecast allocated to Markham by York Region that rely on those designations; and*
- c) the conversion will not adversely affect the overall viability of the ‘Employment Lands’ and achievement of intensification and density targets, and any other policies of the York Region Official Plan, this Plan and the Province; and*
- d) there is existing or planned infrastructure to accommodate the proposed conversion; and*
- e) the lands are not required over the long term for the employment purposes for which they are intended; and*
- f) cross-jurisdictional issues have been considered.*

Employment land conversion criteria a) through e) in the 2014 Markham Official Plan are similar to the policies contained in the Growth Plan and proposed criteria by York Region. As indicated in Section 4.2 of this report, the proposed re-designation achieves these policies in the Growth Plan. The concept plan prepared for the Rouge Park Gateway lands maintains a similar number of jobs to that

which could be accommodated under the current land use designations. Also, the lands are located within a key development area, which should be planned for higher densities than other parts of the City. It is also our opinion that, as the Rouge Park Gateway lands are bordered by the Greenbelt on the east, they are unlikely to impact surrounding municipalities.

4.5 Summary

Overall, it is our opinion that the concept plan for the Rouge Park Gateway lands addresses the applicable land use planning policies included in the PPS and Growth Plan, particularly those relating to efficient land use and re-designation of employment lands. The concept plan for the Rouge Park Gateway lands represents a more appropriate form of employment development for this area of Markham and will likely result in the employment lands being developed sooner than under the current land use designations in the Cornell Secondary Plan.

The PPS and the Growth Plan, along with the Region of York Official Plan and the Markham Official Plan contain policies regarding the re-designation of lands in employment areas to non-employment uses. Under all of these policies, a re-designation of a portion of the Business Park Employment and Service Employment – Automotive Service Station lands should be permitted subject to the municipal comprehensive review, which is currently under way in York Region.

5.0 Economic Development and Employment Trends

In this section of the report, we have reviewed the economic development strategies for both York Region and the City of Markham to reinforce how the proposed conversion is consistent with these strategic plans. We have also examined employment trends in the Region of York and the City of Markham, which is helpful in establishing whether there is the opportunity to attract higher density employment uses to the Rouge Park Gateway lands.

Key Findings

- York Region and Markham have experienced a significant shift away from traditional, lower density employment such as manufacturing, wholesale trade, transportation and warehousing, in favour of higher-density, office, retail and service-based employment.
 - Data in the York Region Employment Survey highlights that the vast majority of businesses in Markham are small businesses that employ 1 to 19 employees. Also, based on Markham’s Economic Strategy, the City is targeting growth in the Professional, Scientific and Technical Services industries where firms generally employ only a small number of people. The concept plan for the Rouge Park Gateway lands provides an opportunity to develop office space targeted to small businesses in growing sectors of the Markham and York Region economies.
 - The Employment Trends Review prepared by Watson in September 2015 on behalf of York Region highlights the trend towards amenity-driven employment parks and opportunities to integrate residential, retail, commercial and industrial uses into prestige employment areas and business parks. This trend is consistent with the concept plan for the Rouge Park Gateway lands, which proposes high-density office space fronting onto Avenue 7.
-

5.1 Economic Development Strategy

York Region Economic Development Strategy

In 2016, York Region completed *The Regional Municipality of York Economic Development Action Plan, 2016 to 2019*, hereafter referred to as the Action Plan. The purpose of the Action Plan was to outline actions “to contribute to a stronger York Region economy”. In the Action Plan, a number of important business clusters are identified in York Region. These include:

- Information and Communications Technologies (ICT);
- Life Sciences;
- Clean Technologies;
- Financial Business and Insurance Services;

- Building and Construction; and,
- Agri-food.

The Action Plan also identifies that the market demand for employment lands has “been increasingly driven by growth in the “knowledge-based” or “creative class” economy, which are largely accommodated within office developments or converted industrial spaces and typically located within prestige employment areas” (page 8). It is our opinion that the Rouge Park Gateway lands represent an ideal location to accommodate the types of important business clusters identified in the Action Plan.

City of Markham Economic Development Strategy

In addition to the York Region Action Plan, the Town of Markham also commissioned millierdickinsonblais inc. to prepare an economic development strategy for Markham, *Markham’s Economic Strategy 2009-2018: An Economic Development Blueprint for the Second Decade of the 21st Century*, (hereafter referred to as Markham’s Economic Strategy), which was completed in September 2008 and identifies the economic sectors of importance to the Town of Markham.

The report focuses on four target areas for economic growth in the Town, including:

- Information and Communications Technologies (ICT) and Life Sciences Convergence;
- Information, Entertainment and Cultural Industries;
- Professional, Scientific and Technical Services; and
- Finance and Insurance

It is notable that many of the sectors identified in Markham’s Economic Strategy are consistent with the York Region Action Plan. In targeting growth in Professional, Scientific and Technical Services, Section 3.3 of Markham’s Economic Strategy states that “while individually many of these [professional, scientific and technical services] firms may employ only a small number of people, the sector continues to represent a significant growth opportunity”. One of the specific strategies identified in Markham’s Economic Strategy to help grow this sector is to “create campus-style research and office environments to create informal environments supportive of cross-disciplinary collaboration”. The concept plan for the Rouge Park Gateway lands, which envisions office uses along the north side of Avenue 7 will help Markham achieve this strategy.

Section 3.4 of Markham’s Economic Strategy also identified the Finance and Insurance sector as a target area for economic growth in Markham. In attracting companies in the Finance and Insurance sector, Markham’s Economic Strategy notes the importance to “understand the impact of Markham’s rising commercial real estate costs on this sector”. The creation of a unique, high-quality business park enclave, with an interface with Rouge Park offers an opportunity to attract companies in finance

and insurance to a location away from Highway 404 where real estate costs are higher, to a location that still has excellent access to transit along Avenue 7 and proximity to a Highway 407 interchange.

5.2 York Region Employment Trends Report

In 2015, Watson and Associates Economists Ltd. (“Watson”) was retained by York Region to prepare the *York Region Employment Trends Review*, hereafter referred to as the Employment Trends Review. The purpose of the Employment Trends Review was to review regional and local employment trends to the year 2041 and address key trends regarding the evolving regional economy.

The Employment Trends Review highlighted a number of employment trends occurring in York Region and the broader Greater Toronto and Hamilton Area (GTHA) that are consistent with the concept plan envisioned for the Rouge Park Gateway lands. These trends include:

- A continued shift towards a knowledge-based economy and the evolving nature of employment lands
- The outlook for office-based employment growth
- Trends towards amenity-driven employment parks

The Evolving Nature of Employment Lands

The Employment Trends Review notes the structural shift in the provincial, GTHA and York Region economies since the recession in 2008/2009. While manufacturing and other traditional industrial uses were once a large and growing share of the provincial economy, this has given way to growth in service-producing sectors such as financial and business services. This has had an impact on employment lands which were originally planned and currently designated to accommodate traditional industrial uses, such as manufacturing, warehousing and distribution uses. The Employment Trends Review highlights the impact of this structural shift on the demand for employment lands as follows:

Market demand on employment lands has also been increasingly driven by growth in the “knowledge-based” or “creative class” economy, including employment sectors such as professional, scientific and technical services, finance, insurance, real estate, information and culture, health and education. These sectors are largely accommodated within office developments and typically located within prestige employment areas. Further, there is increasing demand to accommodate employment supportive commercial and institutional uses on employment lands, particularly in business parks, which offer amenities and services convenient to local businesses and their employees. (p. 2-4)

The concept plan for Rouge Park Gateway lands presents an opportunity to reposition these lands to attract business engaged in the knowledge-based and creative class economy by creating a vibrant mixed-use community.

Outlook for Office-Based Employment

The Employment Trends Review provides an outlook for office-based employment in the Region, and where office-employment growth is likely to be accommodated:

Over the long term, it is anticipated that the market for office-based employment within York Region's employment areas will continue to be concentrated in the larger municipalities of southern York Region. However, growing opportunities will exist to accommodate knowledge-based sectors throughout all areas of the Region in multi-tenant industrial condos and other smaller scale office settings such as mixed-use areas and institutional buildings. There is anticipated to be increased opportunity to accommodate office employment outside of employment areas, most notably within the Region's Centres and Corridors.

The proposed concept plan for the Rouge Park Gateway lands provides an opportunity to accommodate office employment opportunities in a mixed-use area along the Avenue 7 Corridor.

Trends Towards Amenity-Driven Employment Parks

Recognizing the shift towards a knowledge-based economy, the Employment Trends Review identifies a trend towards the creation of amenity-driven employment parks, such as the type of mixed-use development envision for the Rouge Park Gateway lands and states:

Another observation that has been becoming more apparent in recent years is the trend towards more mixed-use and amenity-driven employment areas that contain a broader mix of land uses including office, commercial, retail and mixed-use.

There is a strong connection between the physical and social quality of place and economic growth in the knowledge-based and creative-based industries. Communities that offer a compact, transit-supportive and pedestrian-oriented environment with amenities, entertainment and culture activities and a mix of land uses with a critical mass, density and complexity, will create a sense of place and quality of life that will contribute to attracting jobs and talent. As such, consideration could be given to integrate residential, retail and prestige commercial and industrial uses within prestige employment areas and business parks across York Region. (p. 8-11) (emphasis added)

The proposed concept plan for the Rouge Park Gateway lands is perfectly aligned with this trend towards amenity-driven employment parks identified by Watson in their report. The vision for Rouge Park Gateway to accommodate office, retail, institutional with residential uses will be a key

component in ensuring the success of this mixed-use cluster and will help attract businesses to this area of Markham.

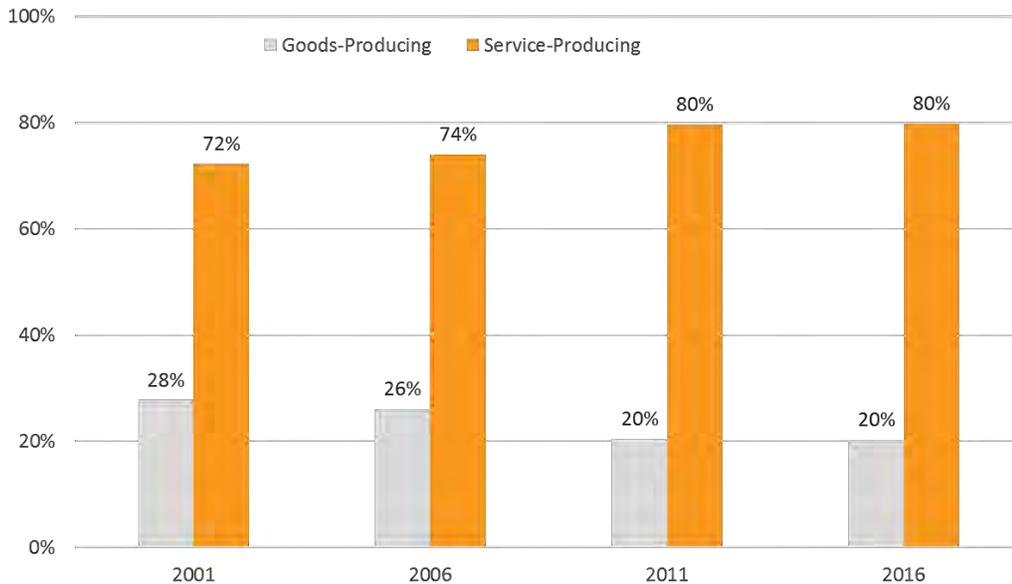
5.3 York Region Employment Trends

The industry sectors identified in the economic development strategies for York Region and Markham are consistent with employment growth trends highlighted in the York Region 2017 Employment and Industry Report, hereafter referred to as the Employment Report.

The Employment report identifies that in 2017, 78% of the Region’s surveyed employment base was employed in the service-producing sectors. This was up from 74% in 2007. Over this period, businesses in York Region added 125,190 service-based jobs. One industry that was key in contributing service-based jobs was the finance and insurance sector, which grew at an annual rate of 7.8% between 2007 and 2017. As noted earlier, the Rouge Park Gateway lands and other employment lands in Cornell Centre provide an opportunity to attract these types of companies due to their proximity to planned transit improvements and access to Highway 407. Another sector identified in the Employment Report was the healthcare and social service sector, which added 18,730 jobs between 2007 and 2017. The proximity of the Rouge Park Gateway lands to the Markham Stouffville Hospital creates an opportunity to develop a healthcare cluster in the east part of Markham.

The Employment Report also identifies that many of the newer warehousing and logistics facilities are automated and therefore employ very few people on-site. This has implications for the Rouge Park Gateway lands. If these types of low employment density employers were accommodated on the site, it would result in very few jobs being created that would not make efficient use of the investments being made in transit infrastructure along Avenue 7.

The employment trends from the York Region Employment Survey are similar to data from the Census of Canada and National Household Survey. As shown in Figure 5-1, 80% of people with a usual place of work in York Region were employed in service-producing sectors. This was up from 72% in 2001. Over this 15-year period, total employment by usual place of work and work at home expanded by 125,635 jobs (the detailed breakdown by industry is provided in Appendix B), while the number of people working in the goods-producing sectors in York Region declined slightly (loss of 940 jobs).

Figure 5-1: Place of Work – York Region

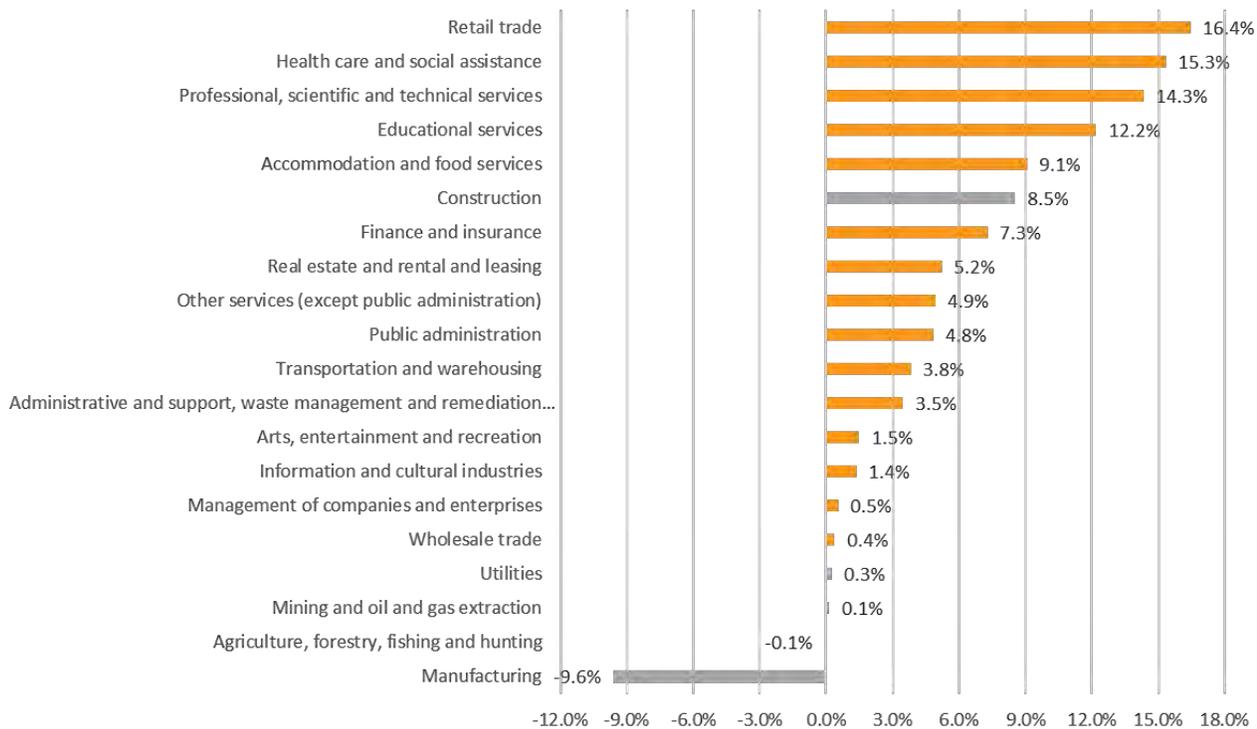
SOURCE: urbanMetrics inc. based on 2001, 2006 and 2016 Census of Canada and 2011 National Household Survey.

Figure 5-2 summarizes the share of growth by industry between 2001 and 2016 for people with a usual place of work, or working at home in York Region.

To assist in identifying future trends in the composition of the Region of York and Markham employment base, it is important to consider the share of growth experienced in each of the major sectors, which can inform future land use planning decisions, particularly as they relate to the development of employment lands with specific locational characteristics. The service-producing sectors are shown as the orange bars in Figure 5-2, while the goods-producing sectors are shown as the grey bars.

As shown, retail trade, healthcare and social assistance as well as professional, scientific and technical services were the employment categories that accounted for the largest share of job growth between 2001 and 2016. The transportation and warehousing industry, which is characterized by low employment densities, only accounted for 3.8% of growth Region-wide, or about 4,800 jobs. The construction industry was the only goods-producing sector to experience notable employment growth over the 2001-2016 period. Also, as shown, the manufacturing industry was the only industry to experience a notable decline in employment.

Figure 5-2: Share of Employment Growth 2001-2016, Place of Work in York Region



SOURCE: urbanMetrics inc. based on 2001 and 2016 Census of Canada.

As shown, substantial changes have occurred recently in the distribution of the Region’s total employment by sector. During the period 2001 to 2016, for example, the proportion of jobs in the manufacturing sector declined. Similarly, other industries that are traditionally accommodated on employment lands, such as transportation and warehousing, experienced only modest employment growth. By comparison, many of the service-producing sectors experienced average annual employment growth above the overall York Region average of 2.1%.

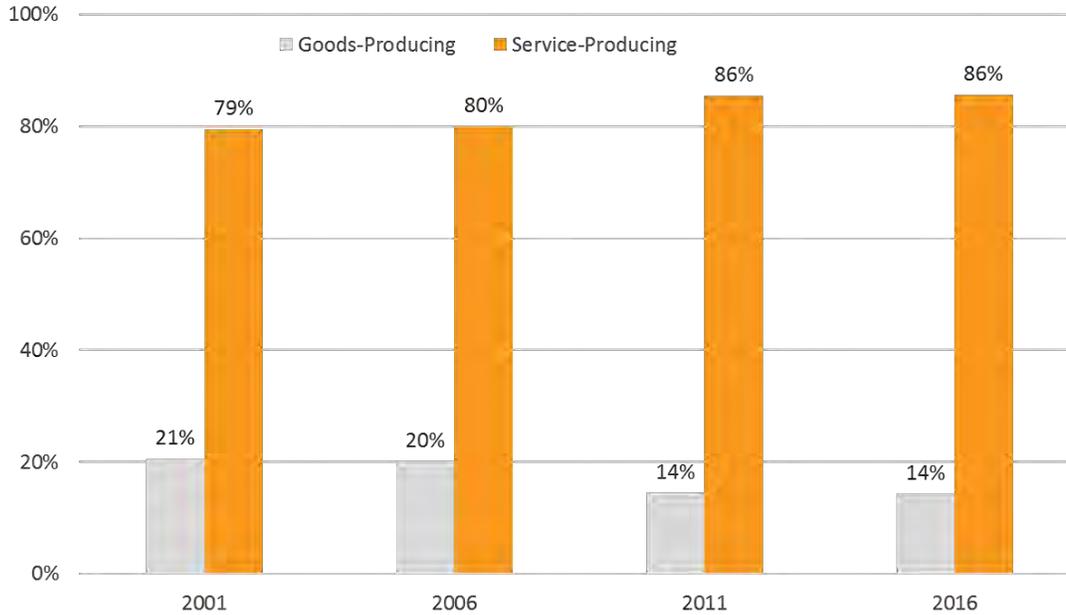
5.4 City of Markham Employment Trends

Using data from the Census of Canada and National Household Survey, we have also examined employment trends in the City of Markham to highlight how the concept plan for the Rouge Park Gateway is consistent with not only the economic development strategy completed on behalf of the City, but also the type of employment space that is required to accommodate employment growth, based on recent changes in the composition of employment.

As shown in Figure 5-3, the City of Markham has a large share of people with a usual place of work and working at home employed in the service-producing sectors. In fact, the share of people in

Markham working in the service-producing sectors (86%) was higher than the share in York Region overall (80%). Also, similar to York Region, the share of people with a usual place of work that are employed in the service-producing sectors has steadily increased, rising from 79% in 2001 to 86% 15-years later in 2016.

Figure 5-3: Place of Work – City of Markham



SOURCE: urbanMetrics inc. based on 2001, 2006 and 2016 Census of Canada and 2011 National Household Survey.

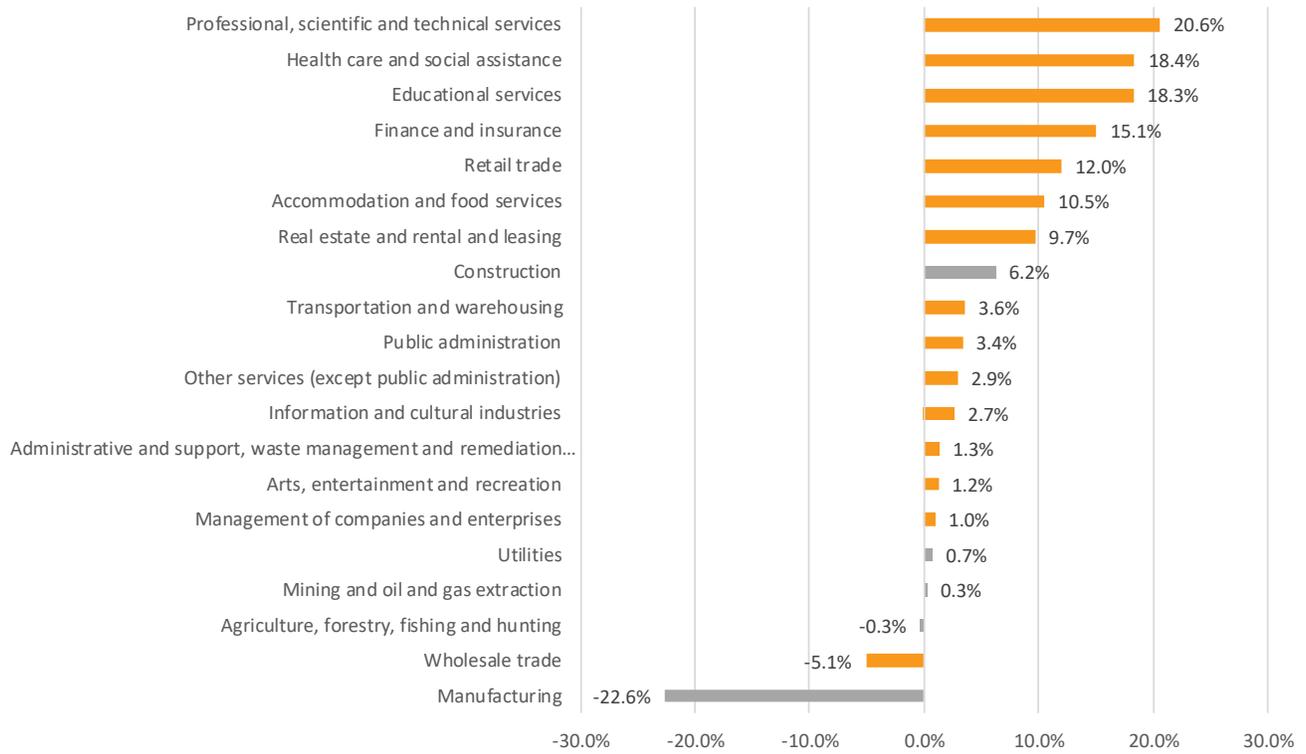
Between 2001 and 2016, employment in the service-producing sectors of Markham grew by 27,920 jobs. This is in comparison to 3,775 fewer jobs in the goods-producing sectors. Similar to York Region, sectors including professional, scientific and technical services, healthcare and social assistance as well as finance and insurance accounted for the largest shares of employment growth in the City.

It is evident that a large and growing portion of the employment base in the City of Markham is currently accommodated in offices. Moreover, recent employment trends provide an indication that future growth in Markham is most likely to occur in similar office-based industries, which will only increase the demand for office space in Markham.

Based on the York Region 2017 Business Directory, 85% of businesses engaged in these industries had fewer than 20 employees. Businesses of this size require the types of smaller office spaces that are being proposed within the concept plan for the Rouge Park Gateway lands. With small business already accounting for the majority of enterprises in Markham and with Markham's Economic Strategy targeting Professional, Scientific and Technical Service firms (typically employing only a small

number of people), going forward there will likely be increased demand for space to accommodate these types of enterprises.

Figure 5-4: Share of Employment Growth 2001-2016, Place of Work in Markham



SOURCE: urbanMetrics inc. based on 2001 and 2016 Census of Canada.

6.0 Office Market Trends

In order to evaluate the market opportunity for office uses on the Rouge Park Gateway lands we have reviewed time-series data relating to the total amount of space, vacancy rates and net rental rates in the City of Markham based on data from CoStar Realty Data Inc. We have also compared these office market metrics to the GTA and York Region to assess the relative performance of the Markham office market.

Key Findings

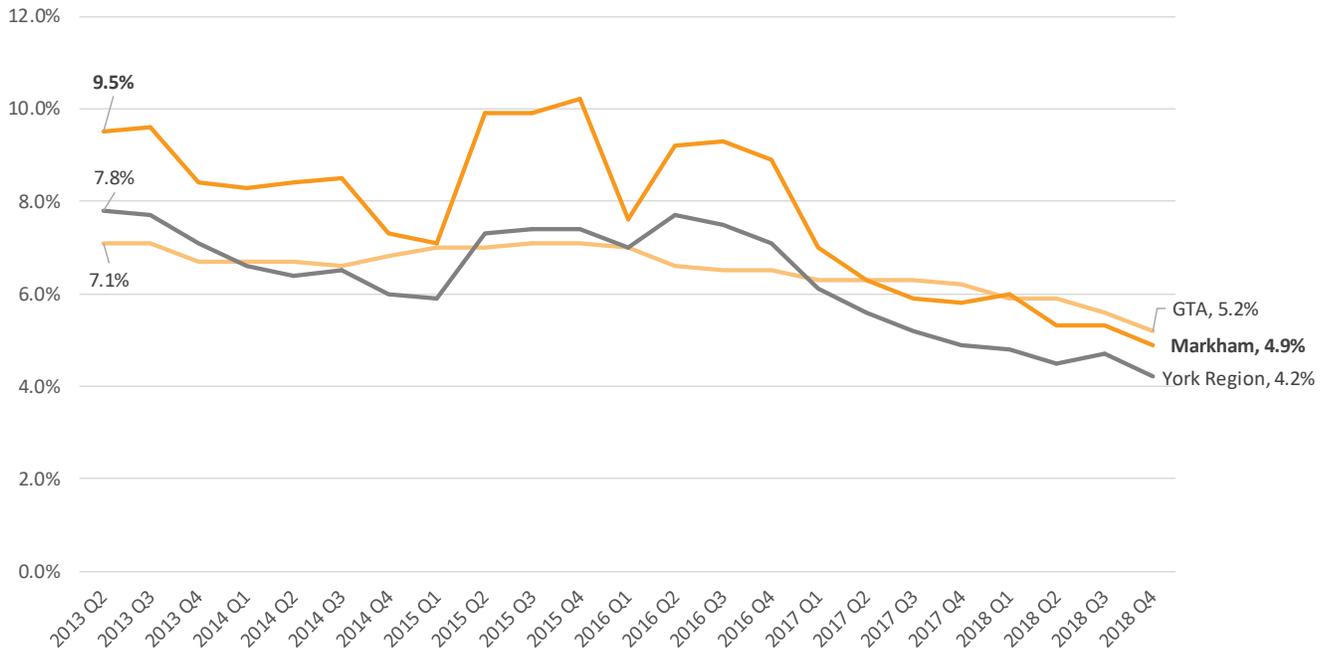
- The office market in Markham has performed well in recent years, with vacancy rates declining and base rental rates rising. That being said, the office potential in the area in Markham, east of McCowan Road, which includes the Rouge Park Gateway lands, is likely to occur over the longer-term.
 - The Office Financial Market Analysis prepared by Watson on behalf of York Region identifies the area in the vicinity of the Rouge Park Gateway lands as having low market potential over the short and medium-term and only moderate market potential over the long-term.
 - The Office Financial Market Analysis also identifies potential policy initiatives to improve the marketability of the Region’s Centres and Corridors for office development. One initiative includes integrating office developments into mixed-use developments that include retail and residential uses to increase the feasibility of the development and leverage more competitive types of development to achieve office development objectives. This is consistent with the concept plan for the Rouge Park Gateway lands which includes office, retail, hotel and residential uses.
-

6.1 Office Market Metrics

Vacancy Rates and Net Rental Rates

In a GTA context, the office market in Markham has performed well in recent years. As shown in Figure 6-1, the vacancy rate has been trending lower, and at 4.9%, is slightly below the GTA average.

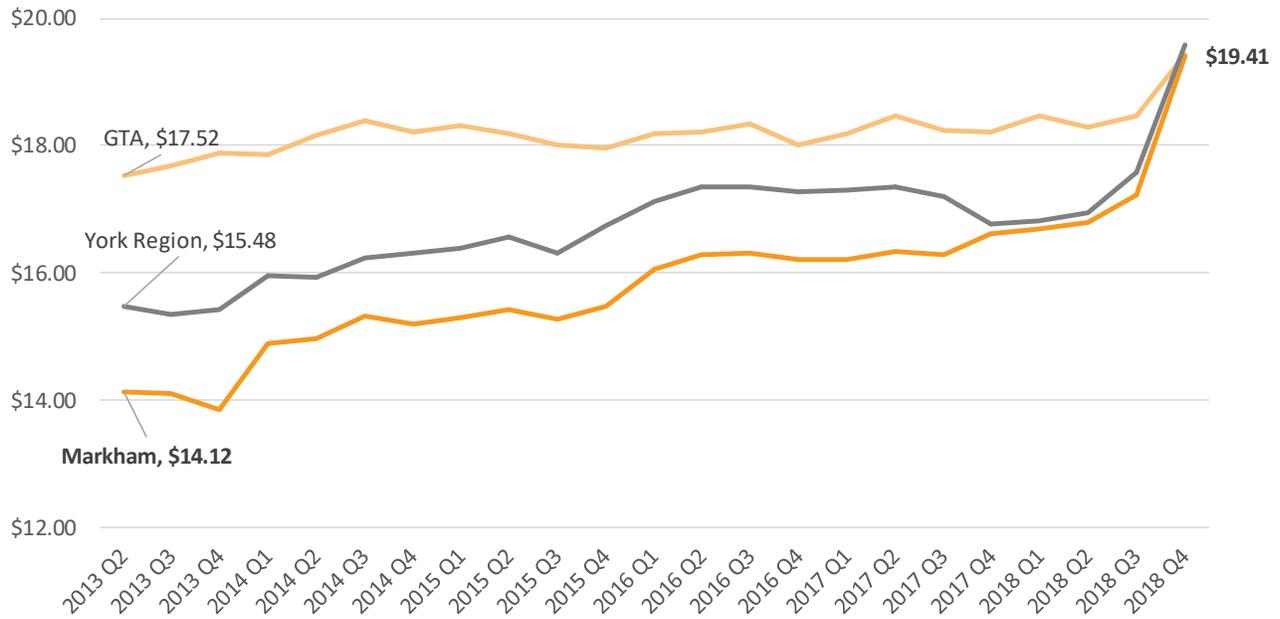
Figure 6-1: Office Vacancy Rates



SOURCE: urbanMetrics inc. based on CoStar Realty Data Inc.

As shown in Figure 6-2, average asking base rents for office space in Markham are also in line with the GTA and York Region average. In comparison to other suburban office nodes, such as Mississauga (\$16.52 per sq.ft.), Vaughan (\$20.13 per sq.ft.) and Richmond Hill (\$17.18 per sq.ft.), the City of Markham (\$19.41 per sq.ft.) is doing relatively well. Overall, data on office vacancy rates and base rents suggest that the office market in Markham is performing well. However, it is important to note that there are significant differences between the office market in the western part of Markham, in the vicinity of Highway 404 and Highway 407, and the office market in the eastern part of Markham that will have an impact on the potential absorption of new space on the Rouge Park Gateway lands. In our opinion the addition of other uses, including residential, on the subject site will enhance the attractiveness of these lands for office development.

Figure 6-2: Average Office Base Rents per Sq.ft.

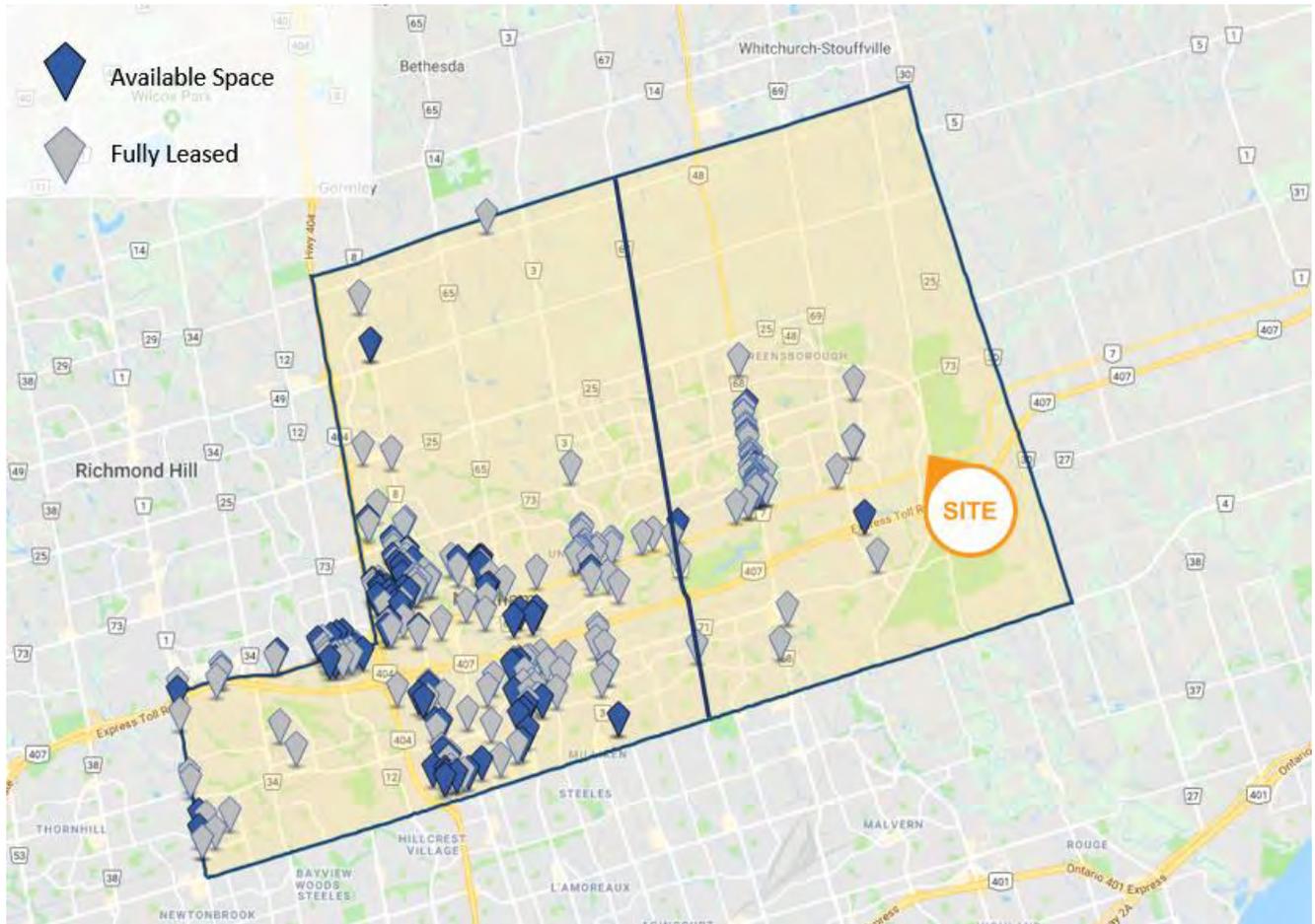


SOURCE: urbanMetrics inc. based on CoStar Realty Data Inc.

Markham Office Space Inventory

While the office market outlook for Markham is encouraging, it is important to note that office space is very clustered within the City.

Figure 6-3 identifies the location of existing office space in the City of Markham that is currently being tracked by CoStar. As shown, there is a clear concentration of office space in the southwestern portion of the City, more specifically in the vicinity of Highway 404 and Highway 407, as well as in Markham Centre.

Figure 6-3: Location of Office Space in the City of Markham

SOURCE: urbanMetrics inc. based on CoStar Realty Data Inc.

As shown in Figure 6-3, the Rouge Park Gateway lands are located in the eastern portion of the City that has experienced very little office development to date. For the purposes of this analysis, we chosen McCowan Road as the geographic dividing line to separate eastern and western Markham, which is consistent with the Markham Eastern Development District.

While there will likely be a market for office space in eastern Markham in the future, particularly in Cornell Centre, it is important to note the there is a large amount of space that could be accommodated in the vicinity of Avenue 7 and Donald Cousens Parkway based on current planning permissions.

There are approximately 50.7 hectares of land designated as either Business Park Office Employment and Business Park Employment in the vicinity of Avenue 7 and Donald Cousens Parkway (see Figure 3-5 earlier in this report). Based on the minimum densities identified in the Cornell Centre Secondary Plan, these lands could accommodate, at a minimum, 294,960 square metres (3.2 million square feet)

of non-residential GFA, including the Rouge Park Gateway lands. Therefore, it will likely take a long time to absorb this amount of office space.

That being said, incorporating residential uses onto the Rouge Park Gateway lands, as proposed in the concept plan, would help incentivize office development. It will also result in the Rouge Park Gateway lands being developed sooner, as new residents on the site will provide a market opportunity for the commercial and office uses that could be accommodated in the proposed buildings located along Avenue 7. The proposed amenity-driven employment park is consistent with trends identified in the York Region Employment Trends Review. This proposed concept plan is also consistent with the *Office Space Financial Market Analysis*, hereafter referred to as the Financial Market Analysis, that was prepared on behalf of the City and will be discussed in the next section of the report.

6.2 York Region Office Space Financial Market Analysis

In the fall of 2013, York Region retained Watson & Associates Economists Ltd. in association with Miller Dickinson Blais and DTZ Canada Inc. to complete the Office Financial Market Analysis to assess the competitiveness of the Region’ office market and identify incentives to encourage office development within the Centres and Corridors. As part of the Office Financial Market Analysis, the Rouge Park Gateway lands are identified as being along the Avenue 7 East Corridor, which extends between Yonge Street in the west and Reesor Road in the east.

The Office Financial Market Analysis states that over the 2009 to 2013 period:

Office development in nonemployment lands locations has been exclusively in York Region’s Centres and Corridors; however, access to major highways appears to be highly important for recent “905” area office building projects with 97% within proximity of 400 series highways.
(page 16)

It is notable that the Rouge Park Gateway lands are located along the Avenue 7 East Corridor and in proximity of the Highway 407 interchange at Donald Cousens Parkway. Therefore, the site has both of these positive attributes in terms of future office development. Therefore, from a locational perspective, the Rouge Park Gateway lands have positive attributes including access to future rapid transit along Avenue 7 and Highway 407 access.

That being said, the Office Financial Market Analysis identifies pure office development along the Corridors in York Region, including the Avenue 7 East Corridor as not being financially viable. The study examines the cost competitiveness of office development and investment potential through a series of proforma financial analyses. The Office Financial Market Analysis states:

The analysis suggests that under a rental revenue stream, the economic viability of a stand-alone office development within the surveyed urban Centres/Corridors is unfavourable. This is largely attributed to relatively higher development costs (attributed to high land prices and the requirement for structured parking) and net market rents that are generally no higher than in the suburban office market. (page 87)

The Office Financial Market Analysis goes on to state:

The financial viability of stand-alone urban office development in the G.T.A. is generally relatively weak without other financial incentives to offset development costs. The analysis suggests that an urban office development project needs to be part of a mixed-use development (i.e. combined with a retail/residential component) in order to be economically viable in these markets. (page 92) (emphasis added)

In addition to providing recommendations on the financial viability of office development within the Centres and Corridors, the Office Financial Market Analysis also comments on trends in demand for office space in the “905” municipalities and the relative market potential for office development within the Avenue 7 East (East of Markham Centre) Corridor.

Similar to our own experience as market consultants for private sector office developers, the Office Financial Market Analysis notes the recent trend towards new office space being accommodated in downtown Toronto, rather than the 905 area, a trend which Watson anticipates to continue over the near term.

The Office Financial Market Analysis identifies that the types of tenants in York Region’s office buildings are different from tenants in downtown Toronto. York Region has been relatively successful in attracting firms in the professional, scientific and technical sectors, in addition to firms in healthcare and social services, relative to downtown Toronto. These types of office tenants are characterized as being smaller firms that require less office space. For example, the study states that 68% of tenants in new office buildings constructed since 2009 leased less than 185 square metres and only 4% leased more than 930 square metres. These trends will have an impact on the type and amount of space that can realistically be developed in York Region, and specifically on the Rouge Park Gateway lands.

Section 6.2 of the Office Financial Market Analysis summarizes the market potential for each of the Regional Centres and Corridors in York Region. The results from the Office Financial Market Analysis are summarized in Figure 6-4. As shown, the Avenue 7 East Corridor (East of Markham Centre) is identified as having low urban office market potential over the short- to medium-term and only moderate potential over the longer-term. The Office Financial Market Analysis goes on to state that the Avenue 7 East Corridor (East of Markham Centre) “will continue to offer moderate potential for low-rise suburban type office development”.

Figure 6-4: Summary of Market Potential for Urban Office Development

**York Region Centres and Corridors
Market Potential for Urban Office Development**

Location	Urban Office Market Potential (Short to Medium Term – 1-10 Years)	Urban Office Market Potential (Longer Term – 10+ Years)
Regional Centres		
Markham Centre	Strong	Strong
Vaughan Metropolitan Centre	Strong	Strong
Richmond Hill Centre/Langstaff Gateway	Moderate	Strong
Newmarket Centre	Low	Moderate
Regional Corridors		
Highway 7 East (West of Markham Centre)	Moderate	Strong
Yonge Street Thornhill	Moderate	Strong
Yonge Street Richmond Hill	Low	Moderate
Highway 7 East (East of Markham Centre)	Low	Moderate
Highway 7 West	Low	Moderate
Yonge Street Newmarket/Aurora	Low	Low
Davis Drive	Low	Low

SOURCE: York Region Office Space Financial/Market Analysis and Marketing Plan Study, Watson & Associates Economists Ltd., Millier Dickinson Blais and DTZ, March 24, 2015.

Section 8 of the Office Financial Market Analysis provides potential policy initiatives to improve the marketability of the Region’s Centres and Corridors for office development. One potential initiative is office developments integrated into mixed-use developments.

Regardless of height and density, more urban types of stand-alone office development may not be feasible or competitive in some Centres or Corridors. For these markets, urban office developments are best integrated into mixed-use projects composed of office and retail/residential components that increase the feasibility of the development or leverage more competitive types of development to achieve office development objectives. (page 113)

In providing rationale for this initiative, the Office Financial Market Analysis states:

As noted earlier, the feasibility of stand-alone urban office development in some parts of the G.T.A. is relatively weak without the application of development incentives to offset costs. However, more cost-competitive types of development (e.g. retail, residential) can be leveraged to create new office development in these areas. For example, while some areas of the Centres and Corridors might not be as competitive for office developments, land use policies requiring mixed-use development or incentives that require office uses in retail and residential applications can become a source of new investment to achieve office development objectives. (page 114)

We agree with the incentive identified in the Office Financial Market Analysis. It is also generally consistent with the concept plan for the Rouge Park Gateway lands, which proposes mixed-use development on a portion of the site, which will support the construction of office space on the site, and mainly in the area bordering Avenue 7.

7.0 Fiscal Benefits Analysis

The concept plan for the Rouge Park Gateway lands is expected to generate a variety of financial benefits that would flow directly to the City of Markham and York Region. The following section sets out our calculation and comparison of the one-time fees and annual property tax revenues that would likely be generated under the two development scenarios:

- **Scenario 1:** The proposed concept plan for the Rouge Park Gateway lands (including office, hotel, retail and residential)
- **Scenario 2:** Office and Hotel uses

It is our opinion that the lands would likely remain vacant over the long-term under the current land use designation and the fiscal benefits under Scenario 2 are unlikely to be realized.

Key Findings

- The concept plan for the Rouge Park Gateway lands could generate approximately \$44.9 million in initial benefits for the City of Markham, which is \$35.2 million more than would be generated based on the existing permitted land uses.
 - On an ongoing basis, the proposed concept plan for the Rouge Park Gateway lands will result in ongoing property tax revenue of \$1.2 million to the City of Markham and \$2.5 million to York Region. This is significantly higher than tax revenue that is currently being collected.
-

Development on the Rouge Park Gateway lands is expected to generate a variety of direct financial benefits for the City of Markham, Region of York and local school boards. For example, fees for planning applications, building permits, and development charges will provide an immediate source of revenue. Additionally, long-term benefits will be derived from the increased property tax revenue generated upon development.

In order to quantify the fiscal benefits associated with the proposed concept plan for the Rouge Park Gateway lands (Scenario 1), we have conducted an analysis based on the current development fees and property tax rates in the City of Markham, Region of York and local school boards. This analysis assumes the development of 339 townhomes, 940 apartment units, 48,760 square metres of non-residential space in office buildings, an additional 5,000 square metres of ground floor commercial space in the base of the apartment buildings and a 18,000 square metre hotel. The results of our analysis are summarized in Figure 7-1, with a more detailed table of the results found in Appendix C.

For Scenario 2, we have assumed the site is developed with a hotel and office uses at the minimum density permitted in the Secondary Plan. That being said, it is our opinion that this development scenario is unlikely to occur, even over the long-term, as there is still a large supply of vacant

employment land located to the west of the Rouge Park Gateway lands that is likely to be developed first.

Figure 7-1 indicates that the concept plan for the Rouge Park Gateway lands could generate approximately \$44.9 million in initial benefits for the City of Markham, which is \$35.2 million more than would be generated based on the existing permitted land uses. The concept plan for the Rouge Park Gateway lands would generate \$60.5 million in initial benefits to York Region, which is \$46.9 million more than the existing permitted land uses.

On an ongoing basis, the proposed concept plan for the Rouge Park Gateway lands will result in ongoing property tax revenue of \$1.2 million to the City of Markham and \$2.5 million to York Region. This is significantly higher than tax revenue that is currently being collected.

Figure 7-1: Fiscal Benefits Comparison

	Markham		York Region	
	Initial Benefit	Annual Benefit	Initial Benefit	Annual Benefit
Scenario 1: Rouge Park Gateway Concept Plan				
Planning Application Fees	\$6,713,587	n.a.	\$0	n.a.
Building Permit Fees	\$3,931,314	n.a.	\$0	n.a.
Development Charges	\$34,242,983	n.a.	\$60,451,743	n.a.
Property Taxes	n.a.	\$1,215,503	n.a.	\$2,460,153
Total	\$44,887,884	\$1,215,503	\$60,451,743	\$2,460,153
Scenario 2: Existing Land Uses				
Planning Application Fees	\$2,127,333	n.a.	\$0	n.a.
Building Permit Fees	\$1,297,490	n.a.	\$0	n.a.
Development Charges	\$6,303,149	n.a.	\$13,528,394	n.a.
Property Taxes	n.a.	\$349,058	n.a.	\$706,485
Total	\$9,727,971	\$349,058	\$13,528,394	\$706,485

SOURCE: urbanMetrics inc.

8.0 Conclusion

urbanMetrics has been retained to undertake an Employment Land Conversion study for the proposed Rouge Park Gateway concept plan. Based on our review of the mixed-use concept plan for the Rouge Park Gateway lands, which proposes to integrate office with retail and residential uses, it is our opinion that it is supportive of provincial, regional and local planning policy by providing an opportunity to intensify the site located along a Corridor.

The mixed-use concept plan is also consistent with the Employment Trends Review and the Office Financial Market Analysis, which were prepared by Watson on behalf of York Region and highlight the trend towards amenity-driven office parks and how the integration of office with retail and residential uses can stimulate office development throughout York Region. The Rouge Park Gateway lands are also identified in the Office Financial Market Analysis as only having moderate long-term market potential. Therefore, introducing retail and residential uses, in conjunction with office uses, could help facilitate development on the site earlier than if they were held for traditional employment uses. Overall, it is evident that the concept plan for the Rouge Park Gateway lands represents a more productive use of lands when compared to the existing land uses.

Appendix A Density Calculations

Figure A- 1: Estimated Minimum GFA based on Existing Land Use Designation and Density

Land Use Designation	Business Park Employment ¹	Service Employment - Automotive Service Station ²	Total
Land Area (Ha)	14.8	1.6	16.4
Minimum Density (FSI)	0.45	0.05	
Minimum Building Area (sq.m.)	66,420	805	67,225

¹ Excludes land area designated as Parks and Open Space – SMP.

² urbanMetrics estimate based on professional experience.

SOURCE: urbanMetrics inc. based on Cornell Centre Secondary Plan.

Figure A- 2: Estimated Population and Employment Yields

	Current Land Use Designation		Rouge Park Gateway Concept Plan
	Industrial	Office and Hotel	
Residential Units / Non-Residential GFA			
Townhouse units	0	0	339
Apartment units	0	0	940
Commercial / Office / Retail GFA (sq.m.)	0	49,225	48,760
Hotel GFA (sq.m.)	0	18,000	18,000
Industrial GFA (sq.m.)	67,225	0	0
Total Non-Residential Space	67,225	67,225	66,760
PPU / Employment Density			
Townhouse units ¹	2.88	2.88	2.88
Apartment units ¹	2.55	2.55	2.55
Commercial / Office / Retail GFA (sq.m. per employee) ²	27	27	27
Hotel (sq.m. per employee) ²	186	186	186
Industrial (sq.m. per employee) ²	74	74	74
Work at Home propensity ³	13%	13%	13%
Persons / Jobs			
Townhouse units	0	0	976
Apartment units	0	0	2,397
Total Residents	0	0	3,373
Commercial / Office / Retail Jobs	0	1,827	1,810
Hotel Jobs	0	97	97
Industrial Jobs	905	0	0
Work at Home	0	0	166
Total Employees	905	1,924	2,072
Total Residents and Jobs	905	1,924	5,445
Site Area (Ha)	17.6	17.6	17.6
Density - Persons and Jobs Per Hectare	51	109	309

¹ PPU's based on City of Markham Residential, Site Plan Approval and Subdivision Status Chart, 2017

² Employment densities based on the Regional Municipality of York 2018 Development Charges Background Study – By-law Amendment, May 10, 2018.

³ Work at home propensity based on City-wide average of the number of people working from home as a share of total occupied dwelling units.

SOURCE: urbanMetrics inc.

Appendix B Place of Work Census Data

Figure B- 1: Place of Work in York Region (includes work at home)

	2001	2006	2011	2016	Growth 2011-2016
11 Agriculture, forestry, fishing and hunting	2,180	2,460	2,280	2,115	-65
21 Mining and oil and gas extraction	300	395	430	460	160
22 Utilities	1,565	1,495	1,715	1,880	315
23 Construction	16,030	19,830	21,235	26,745	10,715
31-33 Manufacturing	77,095	82,245	61,730	65,030	-12,065
41 Wholesale trade	33,760	37,900	40,485	34,245	485
44-45 Retail trade	43,240	50,325	55,875	63,900	20,660
48-49 Transportation and warehousing	10,965	13,520	13,790	15,760	4,795
51 Information and cultural industries	8,420	9,760	9,900	10,125	1,705
52 Finance and insurance	16,865	17,730	22,990	26,030	9,165
53 Real estate and rental and leasing	7,305	9,820	10,505	13,860	6,555
54 Professional, scientific and technical services	33,735	40,515	46,220	51,750	18,015
55 Management of companies and enterprises	345	590	715	1,025	680
56 Administrative and support, waste management and remediation services	13,375	14,250	15,625	17,715	4,340
61 Educational services	17,510	22,320	28,625	32,830	15,320
62 Health care and social assistance	19,535	26,090	31,695	38,815	19,280
71 Arts, entertainment and recreation	8,005	9,430	8,685	9,880	1,875
72 Accommodation and food services	17,960	22,645	23,345	29,370	11,410
81 Other services (except public administration)	14,465	19,145	19,365	20,645	6,180
91 Public administration	7,595	8,705	12,990	13,680	6,085
Total	350,240	409,170	428,205	475,875	125,635

	2001	2006	2011	2016	Growth 2011-2016
Goods-Producing	97,170	106,425	87,390	96,230	-940
Service-Producing	253,080	302,745	340,810	379,630	126,550
Total	350,250	409,170	428,200	475,860	125,610

SOURCE: urbanMetrics inc. based on Census of Canada and National Household Survey.

Figure B- 2: Place of Work in Markham (includes work at home)

	2001	2006	2011	2016	Growth 2011-2016
11 Agriculture, forestry, fishing and hunting	290	390	220	220	-70
21 Mining and oil and gas extraction	25	90	80	90	65
22 Utilities	685	710	625	865	180
23 Construction	3,375	3,930	3,505	4,880	1,505
31-33 Manufacturing	19,530	20,710	14,245	14,075	-5,455
41 Wholesale trade	14,875	16,085	16,950	13,650	-1,225
44-45 Retail trade	13,255	13,745	12,580	16,155	2,900
48-49 Transportation and warehousing	2,005	2,500	2,405	2,870	865
51 Information and cultural industries	3,420	4,150	3,750	4,060	640
52 Finance and insurance	9,015	9,650	11,570	12,655	3,640
53 Real estate and rental and leasing	2,560	3,635	3,635	4,905	2,345
54 Professional, scientific and technical services	17,375	20,025	21,555	22,345	4,970
55 Management of companies and enterprises	115	165	220	350	235
56 Administrative and support, waste management and remediation services	5,955	5,200	6,110	6,280	325
61 Educational services	4,875	5,660	7,660	9,295	4,420
62 Health care and social assistance	5,345	6,835	7,750	9,790	4,445
71 Arts, entertainment and recreation	1,720	1,945	1,715	2,020	300
72 Accommodation and food services	5,640	6,730	6,560	8,180	2,540
81 Other services (except public administration)	5,185	5,850	5,630	5,895	710
91 Public administration	1,340	1,270	2,350	2,150	810
Total	116,590	129,285	129,125	140,720	24,130

	2001	2006	2011	2016	Growth 2011-2016
Goods-Producing	23,905	25,830	18,675	20,130	-3,775
Service-Producing	92,680	103,445	110,440	120,600	27,920
Total	116,585	129,275	129,115	140,730	24,145

SOURCE: urbanMetrics inc. based on Census of Canada and National Household Survey.

Appendix C Fiscal Benefit Calculations and Assumptions

Figure C- 1: Detailed Fiscal Benefits for Proposed Rouge Park Concept Plan

	Townhome	Small Apartments	Large Apartments	Total Apartments	Hotel	Mixed Use Retail	Mixed Use IOI	Total
Development Statistics								
Units	339	320	620	940	300			
Building Height (Storeys)				8				
GFA (sq.m.)	69,287			79,760	18,000	5,000	43,760	
Assessed Value	\$580,000	\$270,000	\$370,000		\$962	\$1,260	\$2,970	
Unit of Measure for Assessed Value	per unit	per unit	per unit		per sq.m.	per sq.m.	per sq.m.	
Development Charges								
Rates (Per Units and Per Sq.M.)								
City of Markham (Hard and Soft)	\$27,731	\$15,966	\$21,716	n.a.	\$150.13	\$73.15	\$73.15	
York Region (Hard and Soft)	\$47,298	\$25,113	\$34,374	n.a.	\$110.75	\$564.38	\$234.33	
GO Transit	\$285	\$133	\$210	n.a.	\$0.00	\$0.00	\$0.00	
School Board (Public and Separate)	\$6,407	\$6,407	\$6,407	n.a.	\$11.52	\$11.52	\$11.52	
Total	\$81,721	\$47,619	\$62,707		\$272.40	\$649.05	\$319.00	
Development Charge Revenue								
City of Markham (Hard and Soft)	\$9,400,809	\$5,109,120	\$13,463,920		\$2,702,340	\$365,750	\$3,201,044	\$34,242,983
York Region (Hard and Soft)	\$16,034,022	\$8,036,160	\$21,311,880		\$1,993,500	\$2,821,900	\$10,254,281	\$60,451,743
GO Transit	\$96,615	\$42,560	\$130,200		\$0	\$0	\$0	\$269,375
School Board (Public and Separate)	\$2,171,973	\$2,050,240	\$3,972,340		\$207,360	\$57,600	\$504,115	\$8,963,628
Total	\$27,703,419	\$15,238,080	\$38,878,340		\$4,903,200	\$3,245,250	\$13,959,440	\$103,927,729
Building Permit Fees								
	Multiple Unit buildings less than 4 storeys high	Multiple Unit buildings greater than 3 storeys & less than 7 storeys	Multiple Unit buildings greater than 6 storeys high	Multiple Unit buildings greater than 6 storeys high	Group C: Hotel / Motel	Group E: Partitioned / Finished / Mezzanine	Group D: Partitioned / Finished / Mezzanine	
City of Markham (\$ per sq.m.)	\$20.66			\$15.35	\$22.01	\$15.62	\$18.31	
Building Permit Fees	\$1,431,473			\$1,224,316	\$396,180	\$78,100	\$801,246	\$3,931,314
Planning Application Fees								
	Rates	Unit						
Official Plan / Secondary Plan Amendment (Major)	\$61,850	per application						\$61,850
Zoning By-Law Amendment (Major)	\$43,450	per application						\$43,450
Draft Plan of Subdivision								
Base Fee	\$33,300	per application						\$33,300
Unit Fee	\$1,730	per unit						
Land Area Fee (Planning Review)	\$17,150	per hectare						\$280,746
Community Planning Review	\$330	per unit						
Land Area Fee (Urban Design Review)	\$17,150	per hectare						\$280,746
Landscape Review	\$7,550	Base Fee						
Calculated Fee	\$57,000	Based on 100 units						\$57,000
Engineering Review	\$1,700	per lot or unit	\$576,300	\$544,000	\$1,054,000			\$2,174,300
Plan of Condominium	\$31,250	per application						
Site Plan Control - Blocks of 11 Units or more or mixed-use buildings								
Planning Review - Base Fee	\$10,150	per application			8			\$81,200
Planning Review - Unit Fee	\$1,730	per unit			\$1,626,200			\$1,626,200
Planning Review - GFA Fee	\$4.37	per sq.m.			\$348,551			\$348,551
Urban Design Review - Base Fee	\$4,150	per application			8			\$33,200
Urban Design Review - GFA Fee	\$4.37	per sq.m.			\$348,551			\$348,551
Engineering Review - Base Fee	\$7,400	per application			8			\$59,200
Engineering Review - GFA Fee	\$4.29	per sq.m.			\$342,170			\$342,170
Site Plan Control - Institutional, Commercial or Industrial								
ICI Base Fee	\$10,150	per application					6	\$60,900
ICI GFA Fee	\$4.37	per sq.m.				\$21,850	\$191,231	\$213,081
Hotel Base Fee	\$10,150	per application			1			\$10,150
Hotel Unit Fee	\$1,730	per unit			\$519,000			
Hotel GFA Fee	\$4.37	per sq.m.			\$78,660			
Urban Design Review - Base Fee	\$4,150	per application			1		6	\$29,050
Urban Design Review - GFA Fee	\$4.37	per sq.m.			\$78,660	\$21,850	\$191,231	\$291,741
Engineering Review - Base Fee	\$7,400	per application			1		6	\$51,800
Engineering Review - GFA Fee	\$4.29	per sq.m.			\$77,220	\$21,450	\$187,730	\$286,400
Total								\$6,713,587
Property Taxes								
Property Tax Rates								
Markham	0.173226%	0.173226%	0.173226%		0.213467%	0.213467%	0.213467%	
York Region	0.350606%	0.350606%	0.350606%		0.432052%	0.432052%	0.432052%	
Ministry of Education	0.170000%	0.170000%	0.170000%		0.966480%	0.966480%	0.966480%	
Property Taxes								
Markham	\$340,597	\$149,667	\$397,380		\$36,973	\$13,448	\$277,437	\$1,215,503
York Region	\$689,362	\$302,924	\$804,290		\$74,833	\$27,219	\$561,526	\$2,460,153
Ministry of Education	\$334,254	\$146,880	\$389,980		\$167,398	\$60,888	\$1,256,107	\$2,355,507
Total	\$1,364,212	\$599,471	\$1,591,651		\$279,204	\$101,556	\$2,095,070	\$6,031,164

Figure C- 2: Detailed Fiscal Benefits based on Existing Land Uses (Office and Hotel)

	Townhome	Small Apartments	Large Apartments	Total Apartments	Hotel	Mixed Use Retail	Mixed Use IOI	Total
Development Statistics								
Units					300			
Building Height (Storeys)					18,000		49,225	
GFA (sq.m.)					\$962	\$1,260	\$2,970	
Assessed Value	\$580,000	\$270,000	\$370,000	\$0	per sq.m.	per sq.m.	per sq.m.	
Unit of Measure for Assessed Value	per unit	per unit	per unit	per unit				
Development Charges								
Rates (Per Units and Per Sq.M.)								
City of Markham (Hard and Soft)	\$27,731	\$15,966	\$21,716	n.a.	\$150.13	\$73.15	\$73.15	
York Region (Hard and Soft)	\$47,298	\$25,113	\$34,374	n.a.	\$110.75	\$564.38	\$234.33	
GO Transit	\$285	\$133	\$210	n.a.	\$0.00	\$0.00	\$0.00	
School Board (Public and Separate)	\$6,407	\$6,407	\$6,407	n.a.	\$11.52	\$11.52	\$11.52	
Total	\$81,721	\$47,619	\$62,707		\$272.40	\$649.05	\$319.00	
Development Charge Revenue								
City of Markham (Hard and Soft)	\$0	\$0	\$0		\$2,702,340	\$0	\$3,600,809	\$6,303,149
York Region (Hard and Soft)	\$0	\$0	\$0		\$1,993,500	\$0	\$11,534,894	\$13,528,394
GO Transit	\$0	\$0	\$0		\$0	\$0	\$0	\$0
School Board (Public and Separate)	\$0	\$0	\$0		\$207,360	\$0	\$567,072	\$774,432
Total	\$0	\$0	\$0		\$4,903,200	\$0	\$15,702,775	\$20,605,975
Building Permit Fees								
	Multiple Unit buildings less than 4 storeys high	Multiple Unit buildings greater than 3 storeys & less than 7 storeys	Multiple Unit buildings greater than 6 storeys high	Multiple Unit buildings greater than 6 storeys high	Group C: Hotel / Motel	Group E: Partitioned / Finished / Mezzanine	Group D: Partitioned / Finished / Mezzanine	
City of Markham (\$ per sq.m.)	\$20.66			\$15.35	\$22.01	\$15.62	\$18.31	
Building Permit Fees	\$0			\$0	\$396,180	\$0	\$901,310	\$1,297,490
Planning Application Fees								
	Rates	Unit						
Official Plan / Secondary Plan Amendment (Major)	\$61,850	per application						\$0
Zoning By-Law Amendment (Major)	\$43,450	per application						\$0
Draft Plan of Subdivision								
Base Fee	\$33,300	per application						\$33,300
Unit Fee	\$1,730	per unit						\$0
Land Area Fee (Planning Review)	\$17,150	per hectare						\$280,746
Community Planning Review	\$330	per unit						\$0
Land Area Fee (Urban Design Review)	\$17,150	per hectare						\$280,746
Landscape Review	\$7,550	Base Fee						\$7,550
Calculated Fee	\$57,000	Based on 100 units						\$0
Engineering Review	\$1,700	per lot or unit			1		9	\$17,000
Plan of Condominium	\$31,250	per application						\$0
Site Plan Control - Blocks of 11 Units or more or mixed-use buildings								
Planning Review - Base Fee	\$10,150	per application						\$0
Planning Review - Unit Fee	\$1,730	per unit						\$0
Planning Review - GFA Fee	\$4.37	per sq.m.						\$0
Urban Design Review - Base Fee	\$4,150	per application						\$0
Urban Design Review - GFA Fee	\$4.37	per sq.m.						\$0
Engineering Review - Base Fee	\$7,400	per application						\$0
Engineering Review - GFA Fee	\$4.29	per sq.m.						\$0
Site Plan Control - Institutional, Commercial or Industrial								
ICI Base Fee	\$10,150	per application			0		9	\$91,350
ICI GFA Fee	\$4.37	per sq.m.					\$215,113	\$215,113
Hotel Base Fee	\$10,150	per application			1		0	\$10,150
Hotel Unit Fee	\$1,730	per unit			\$519,000			\$519,000
Hotel GFA Fee	\$4.37	per sq.m.			\$78,660			\$78,660
Urban Design Review - Base Fee	\$4,150	per application						\$4,150
Urban Design Review - GFA Fee	\$4.37	per sq.m.						\$293,773
Engineering Review - Base Fee	\$7,400	per application			\$77,220		\$215,113	\$7,400
Engineering Review - GFA Fee	\$4.29	per sq.m.					\$211,175	\$288,395
Total								\$2,127,333
Property Taxes								
Property Tax Rates								
Markham	0.173226%	0.173226%	0.173226%		0.213467%	0.213467%	0.213467%	
York Region	0.350606%	0.350606%	0.350606%		0.432052%	0.432052%	0.432052%	
Ministry of Education	0.170000%	0.170000%	0.170000%		0.966480%	0.966480%	0.966480%	
Property Taxes								
Markham					\$36,973	\$0	\$312,085	\$349,058
York Region					\$74,833	\$0	\$631,652	\$706,485
Ministry of Education					\$167,398	\$0	\$1,412,977	\$1,580,375
Total					\$279,204	\$0	\$2,356,714	\$2,635,918